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R. M. Sullivan

AMERICAN TARIFFS

FROM
PLYMOUTH ROCK
TO
McKINLEY.

A Complete and Impartial History of
our Tariff Systems.

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**Beginning on page 84 will be found
a verbatim copy of Lord Salisbury's
famous Tariff speech of May 20, 1892.**

AMERICAN TARIFFS

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82129

PLYMOUTH ROCK

TO

McKINLEY.

A Complete and Impartial History of our Tariff Systems.

1620—1891.

1. PERIOD UNDER COLONIES, 1620—1783.
2. PERIOD UNDER THE CONFEDERACY, 1783—1789.
3. PERIOD UNDER THE CONSTITUTION, 1789—1891.

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BY

D. G. HARRIMAN, A.M.,

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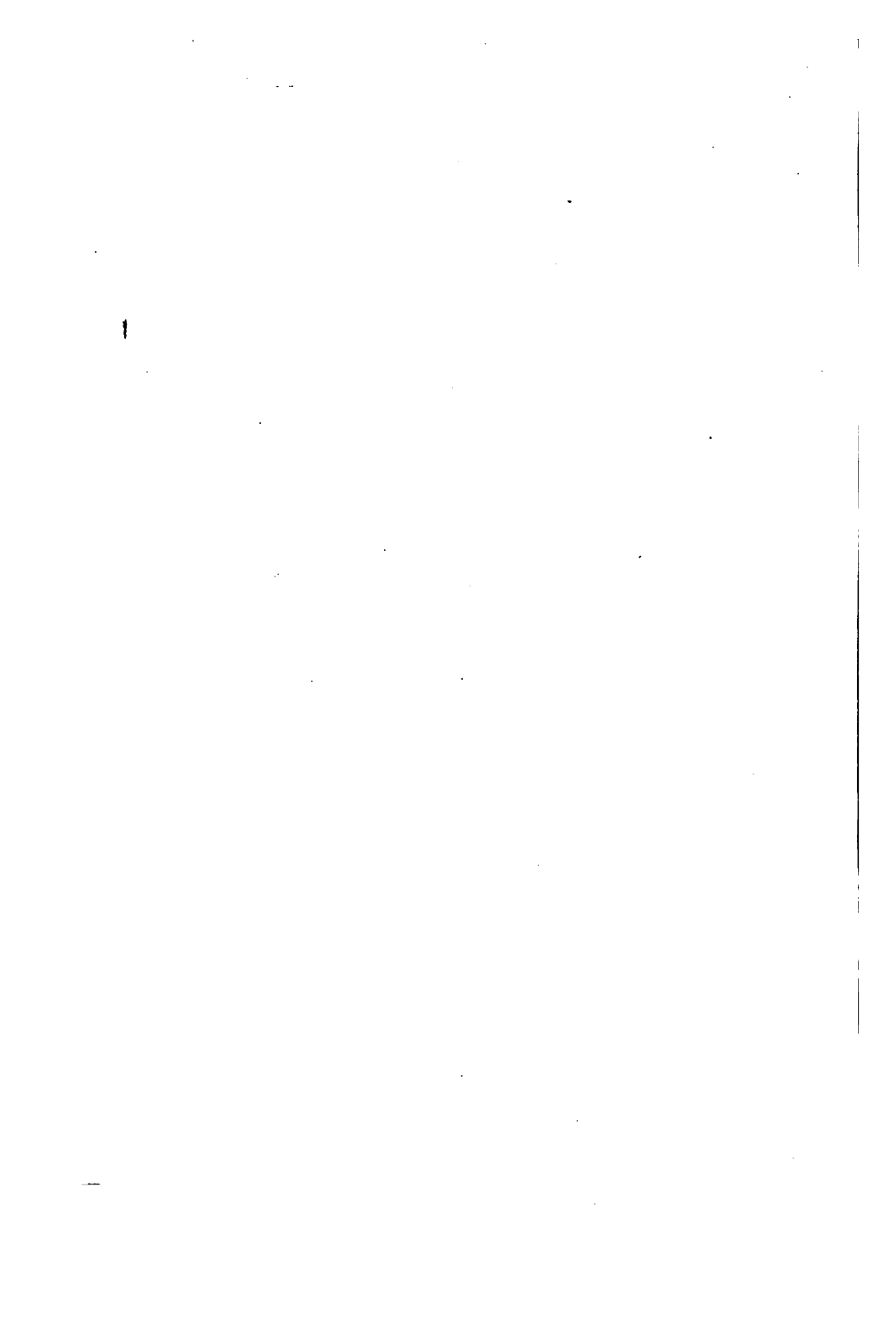
1892.

DEDICATION.

To the young men of the United States upon whom the responsibility of ruling and defending this great Nation must soon rest ; by whom its marvellous progress and prosperity under Protection must be maintained and increased ; and to place before whom—clearly and concisely, the actual workings of Protection and Free Trade in the United States, the historical facts set forth in the following pages have been collated and stated ;—this little treatise is

Respectfully dedicated

By the Author.



PREFACE.

IT APPEARS to be a settled fact that the great issue in the approaching campaign will be that of the tariff. A full and reliable knowledge of the actual workings of the different tariff systems that have prevailed in this country since 1783, should and will enable us to decide this issue intelligently. To aid in so desirable a result, this history has been written. This it has not been difficult to do, so far as materials are concerned, for they have been rich and abundant ; but it has required much careful scrutiny and labor to select and arrange these materials.

Many books, countless documents, and numerous official reports, all of the highest character, both of our own and of foreign nations, have been examined, and some of their richest treasures appropriated. The facts set forth in the following pages are accessible to all who will take the time and pains to search through the great mass of books and documents in which they are recorded.

Only a few of these facts are introduced here : for to present fully all the facts pertinent to a complete American Tariff History would require several large volumes ; but the facts I have stated can be relied upon as authentic.

The author earnestly begs one favor of every reader, viz : Please read the statements and facts given in this little book carefully and without prejudice. Disprove them, answer them, if you can do so honestly and logically ; not by theorizing, but by other solid facts ; but if you cannot thus refute and overthrow them, then *believe* them and work and vote as an honest man should.

D. G. HARRIMAN,
New York City.

NEW YORK, February 15, 1892.

A Patriotic Work.

All students of Economic questions, all persons interested in the discussion of the Tariff which so vitally affects the commercial interests of our country should read what the foremost writers of the world say upon these subjects, in the documents published by the American Protective Tariff League. These documents are short, terse and to the point. They are interesting and instructive, and embrace discussions of all phases of the Tariff question. The League publishes over fifty different documents, comprising nearly 700 pages of plainly printed, carefully edited and reliable information. Among the authors of these documents are :

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This complete set of documents will be sent to any address, post paid, for Fifty (50) Cents. Address, Wilbur F. Wakeman, General Secretary, No. 135 West 23d Street, New York.

INTRODUCTION.

In order that there may be no misunderstanding between the reader and the writer of the following pages, relative to the meaning of certain terms and phrases, it may be well to define them here.

A TARIFF is a system of duties imposed by the government of a country upon goods imported or exported.*

There are but two kinds of tariff in the United States :

1. A Free Trade Tariff.
2. A Protective Tariff.

A FREE TRADE TARIFF † is simply a tariff for revenue only ; and revenue derived therefrom is intended for governmental expenses exclusively. It is the system which is in operation in England. Since it is designed for revenue only, its duties are nearly all levied upon articles (except luxuries) that are in great and certain demand. It so happens, that the articles thus levied upon (except luxuries) are constantly required by the common people in their household economy, and that they can not be raised or produced profitably at home, such as tea, coffee, etc., etc. ; and therefore, cannot come into competition with home productions.

A PROTECTIVE TARIFF not only provides revenue for the expenses of the Government ; but, also, so discriminates its duties that they are levied principally upon imported articles that come in direct competition with home industries, and so adjusts the rates that such competing foreign productions cannot be placed upon the home markets at prices less than the fair and reasonable home-market price.

By this means the high wages of our home laborers are maintained, and need not be reduced to the low level of cheap foreign labor ; and under this tariff, articles of necessity for the common people in their household economy, and which cannot be raised or produced profitably at home, are admitted free of duty, such as tea, coffee, sugar, etc., etc.

* In the United States there is no duty on exports.

† Nowhere on earth does actual and literal free trade exist between two civilized nations, by virtue of which all custom houses, revenues and revenue officials, have been wholly abolished ; nor has it ever existed in that form between two such nations.

An able writer on Protection says : " All the prosperity enjoyed by the American people—absolutely all the prosperity, without any reservation whatever—from the foundation of the United States Government, down to the present time, has been under the reign of protective principles ; and all the hard times suffered by the American people, in the same period, have been preceded, either by a heavy reduction of duties on imports, or by insufficient protection ; thus refuting all free trade theories on the subject."—D. H. MASON.

I will not here state whether or not I agree with this statement ; but it is my purpose in this treatise to give inquiring readers an opportunity for judging for themselves whether or not the foregoing statement is true ; and I shall do this by no labored argument of mine, but by an

HISTORICAL STATEMENT OF FACTS in our Colonial and National experience, which, in themselves, may constitute an argument at once convincing and irresistible.

The proposition which I have quoted above is an exceedingly important one ; for, if it be true, then we have discovered the correct principle of economic action, for our nation at least ; and the one which should be made plain and clear to all our people to the end that protective principles may become the settled and permanent rule in our economic policy. And if it be false, the sooner its falsity is proven, the better ; for then we can take our reckonings anew, and start afresh in search of the truth.

Let us carefully examine the facts, and let them determine which is true.

THE AUTHOR.

AMERICAN TARIFFS:

FROM PLYMOUTH ROCK TO McKINLEY.

CHAPTER I.

FIRST FREE TRADE PERIOD, 1620-1789—1. UNDER THE COLONIAL GOVERNMENT—2. UNDER THE CONFEDERACY.

SINCE 1620, and through our Colonial history, but especially since the Treaty of 1783, by which the Revolutionary War was closed, and our Independence established, we have tried and thoroughly tested all the different phases of this economic question, from extreme free trade, under the Confederacy (1783 to 1789), to the high protective tariff, under the rule of the Republican Party, since 1861.

FREE TRADE UNDER THE CONFEDERACY.—It is an historical fact, though comparatively few of our people seem to be aware of it, that during the Confederacy, the period preceding the adoption of our Constitution, we made for the first and only time in our history a full and fair trial of free trade, of practically unrestricted imports.

England boasts of being the great free trade nation of the world, but she has never had a free trade system that approaches the one we "enjoyed" from 1783 to 1789. How much we enjoyed it appears hereafter.

CONGRESS UNDER THE CONFEDERACY.—Under the Confederacy, the States were held together by a rope of sand. The powers of Congress were exceedingly limited, especially on this question. It had no authority to enact a general tariff on imports without the consent of every one of the thirteen States, and such consent was never given.

The States thought that they were, individually, competent to manage those matters for themselves, and that they could protect their separate rights better than Congress could do it for them. Each State had the right to regulate its own trade, and each imposed upon foreign products, and upon the products of the other States, such duties as it deemed best. Each strove to secure trade for itself, without regard to the interests of any other State.

JEALOUSY OF THE STATES.—Jealousy of each other seems to have been the underlying motive of their unfortunate actions. Pennsylv-

vania established a duty of two and one-half per cent., 'but even this was an ineffectual remedy ; for New Jersey opened a free port at Burlington, where the Pennsylvania merchants entered their goods, and took them clandestinely across the river to Pennsylvania, without paying any duty.

New Jersey voted to allow Congress to impose a general tariff, while New York, on account of her situation relative to Connecticut and New Jersey, and the advantages this situation gave her in the matter of importations, refused to do so. New Jersey, thereupon, withdrew her consent, and, in order to annoy New York, established a free port at Paulus Hook, opposite New York City, and New York merchants repeated the tactics of Philadelphia, and got their goods free of duty.

Hamilton urged upon the States the necessity of stopping this suicidal policy and of vesting Congress with full power to regulate trade, and he contrasted the "prospect of a number of petty States, jarring, jealous and perverse, fluctuating and unhappy at home, and weak by their dissensions in the eyes of other nations," with a "noble and magnificent perspective of a Great Republic;" but it was years before he and others could persuade the States to do this. As just stated, Congress had no power in itself to lay duties or to regulate trade, and as the States would not agree upon a uniform rate of duty, each sought its own advantage at the expense of its neighbors, and, as a necessary consequence, the country at large fell an easy prey to foreign nations, which lost no time in passing such laws as they judged most likely to destroy our commerce and extend their own.

GREAT BRITAIN'S BARBAROUS POLICY.—Especially was this true of Great Britain, then as now, the most selfish and grasping commercial power on the earth. And her conduct during this period of the Confederacy was in conformity with the policy she has always maintained.

HOW GREAT BRITAIN TREATED THE COLONIES.—In 1699 Parliament decreed that "after the 1st day of December, 1699, no wool, yarn, cloth or woollen manufactures of the English Plantations in America shall be shipped from any of said Plantations, or otherwise laden, in order to be transported thence to any place whatsoever, under a penalty of forfeiting both ship and cargo, and £500 (\$2,500) for each offense."

In 1732 Parliament prohibited the exportation of hats from province to province, and limited the number of apprentices to be taken by hatters. In 1750, the erection of any mill or engine for splitting or rolling iron was prohibited under a penalty of \$1,000 for each offense ; but pig-iron could be exported to England, duty free, in order that it might be manufactured there and returned to the Colonies. Later, Lord Chatham declared that he would not permit the Colonists to make even a hob-nail or a horse-shoe for themselves, and his views were subsequently carried into effect by the absolute prohibition in 1765 of the export of artisans ; in 1781, of woollen machinery ; in 1782, of cotton machinery and artificers in cotton ; in 1785 (when the States most needed them), of iron and steel-making ma-



chinery, and workmen in those departments of trade; and in 1799, by the prohibition of the export of colliers, lest other countries should acquire the art of mining coal. England's object was to keep the Colonists all farmers, so as to supply her home people, engaged mostly in manufacturing, with food and raw materials, and to compel the Colonists to take from her in return her manufactured products; also to pay profit both ways; in other words, to compel them to sell to England all they had to sell—their agricultural surplus—and to buy from her all they were obliged to purchase—all manufactured articles of any importance. This process was pleasing and remunerative to British manufacturers and capitalists; but it kept the Colonists poor, and almost ruined them. For, as has been shown, they were forbidden to manufacture anything themselves, and they were never able to raise an agricultural surplus sufficient to pay for what they had to import.

With no tariff on imports at home, but subject to such burdens on our exports abroad as was pleasing to those to whom we were obliged to sell, the imports of the Colonists in 1771 exceeded their exports by \$13,750,000—an enormous sum in those days.

Is it any wonder that our forefathers rebelled? And not satisfied with these measures to prevent and repress all manufacturing enterprises in the States, she also attempted to destroy all our commerce by enforcing most barbarously their iniquitous laws with respect to navigation.

By the Navigation Act Great Britain decreed that "No goods or commodities whatever, of the growth, production or manufacture of Europe, Africa or America, shall be imported into England or Ireland, or into any of the Plantations (American Colonies) except in ships belonging to English subjects, of which the master and the greater number of the crew shall also be English."

Our trade with her West Indian Colonies was prohibited; and, by the enforcement of these navigation acts, our commerce was nearly destroyed. As we had no tariff, foreign vessels and goods were freely admitted into our States; while our vessels and goods were burdened with heavy rates and duties in foreign ports. It thus happened that the prices of goods imported and the prices of our exports were subject to the will of foreigners. They demanded their own prices for their imports, and we had to pay them; and they offered us their own prices for our goods, and we had to take them; for, being without a national tariff, we were absolutely at their mercy.

Before this Navigation Act was passed, the Colonists had sent their trading ships to all the known ports of the world, and their commerce had become considerable and valuable to them, but by that Act it was annihilated at a blow. Even Burke declared in Parliament that "by it the commerce of the Colonies was not only tied, but strangled." Is it not true that England was and is the most selfish of nations? Her object will be stated in a subsequent paragraph.

HOW THE STATES WERE AFFECTED.—In the comparative condition of the United States and Great Britain, after the close of the

Revolutionary War, not a hatter, a boot or shoemaker, a saddler, or a brass-founder here could carry on his business, except in the coarsest and most ordinary production, under the pressure of this foreign dictation. Thus was presented the extraordinary and calamitous spectacle of a successful Revolution wholly failing of its ultimate object. The people of America had gone to war not for names, but for things; to redress their own grievances, to improve their own condition, and to throw off the burden which the Colonial system had laid on their industry. To attain these objects they had endured incredible hardships, and borne and suffered almost beyond the measure of humanity.

And when their independence was attained, they found that, by the ungenerous, uncivilized and unchristian legislation and action of Great Britain, it was merely a piece of parchment. The industry which had been burdened in the Colonies had been crushed in the Free States, and the mechanics and manufacturers of the country found themselves, in the bitterness of their hearts, independent and ruined.

DANIEL WEBSTER in a speech on the 8th of July, 1833, affirmed the truth of the foregoing statements when he said: "From the close of the War of the Revolution, there came a period of depression and distress, on the Atlantic coast, such as the people had hardly felt during the sharpest crisis of the war itself. Ship-owners, ship-builders, mechanics, artisans, all were destitute of employment, and some of them destitute of bread. British ships came freely, and British ships came plentifully; while to American ships and American products, there was neither protection on the one side, nor the equivalent of reciprocal free trade on the other. The cheaper labor of England supplied the inhabitants of the Atlantic shores with everything. Ready-made clothes, among the rest, from the crown of the head to the soles of the feet, were for sale in every city. All these things came free from any general system of imposts. Some of the States attempted to establish their own partial systems, but they failed."

GEORGE BANCROFT on page 432, Vol. I. Hist. Const., paints the picture of this period (1785) even a darker shade when he says:

"It is certain that the English have the trade of these States almost wholly in their hands; whereby their influence must increase; and a constantly increasing scarcity of money begins to be felt, since no ship sails hence to England without large sums of money on board, especially the English packet-boats, which monthly take with them between forty and fifty thousand pounds sterling." Again on page 439 we find this:

"The scarcity of money makes the produce of the country cheap, to the disappointment of the farmers, and the discouragement of husbandry. Thus, the two classes, merchants and farmers, that divide nearly all America, are discontented and distressed."

GREEDY SELFISHNESS OF GREAT BRITAIN.—It may be remarked in passing that it has always been the leading object of Great Britain to manufacture for the world, to monopolize the bulk of reproductive power, and, if possible, to keep all other countries in a state of indus-

trial vassalage, by means of her great capital, her cheap labor, her skill and her mercantile marine. Her policy has been, and is, to force all other countries to compete in her home markets for the sale of their raw materials. Why? To enable her to fix the price of what she buys. It has also been, and is, her policy to force all other nations to compete in her home markets for the purchase of her finished products. Why? To enable her to fix the price of what she sells. Of course, that is business; and if England can enforce such policies, she will, indeed, become the mistress of the world. This policy she enforced upon us under the Confederacy.

In proof that this selfish policy has prevailed in England, many of her ablest public men might be quoted; but two or three will suffice at this time.

Years ago, Lord Goderich publicly declared in the English Parliament: "Other nations know that what we English mean by free trade is nothing more or less than by means of the great advantages we enjoy, to get the monopoly of all the markets of other nations for our manufactures; and to prevent them (the foreign nations) one and all from ever becoming manufacturing nations."

David Syme, another prominent English free trader and Member of Parliament openly said:

"In any quarter of the globe, where competition show itself as likely to interfere with English monopoly, immediately the capital of her manufacturers is massed in that particular quarter; and goods are exported there in large quantities, and sold at such prices that outside competition is effectually counted out. English manufacturers have been known to export goods to a distant market and sell them under cost for years, with a view of getting the market into their own hands again, and keep that foreign market, and step in for the whole when prices revive."

No comment is called for at this time; but as the reader follows this history, he will find the accuracy of the foregoing statement of the selfishness of Great Britain established beyond all questions; and the reader is especially asked to read with great care what is said of her conduct toward this country after the close of the War of the Revolution; and also, after the close of the second war with Great Britain.

RESULTS OF SUCH A POLICY.—And so the years from 1783 to 1789 were lovely, halcyon days for the merchants and statesmen of Great Britain. In about three years' time, nearly all the money of the country had passed into the pockets of British merchants and manufacturers, and we were left "poor indeed;" for not only did they take from us our money, but they took, also, our good name for integrity, independence and common-sense, which we had won in the Revolutionary War.

As there was no tariff to prevent, foreign nations literally poured in upon us their products of every kind and description, in such quantities, and at such prices that our people could not compete with them.

Our domestic industries were suspended. The weaver, the shoe-maker, the hatter, the saddler, the rope-maker, and many others, were re-

duced to bankruptcy ; our markets were glutted with foreign products ; prices fell ; our manufacturers, generally, were ruined ; our laborers beggared ; our artisans without employment ; our merchants insolvent, and our farmers necessarily followed all these classes into the vortex of general financial destruction.

"Depreciation seized upon every species of property. Legal pressure to enforce payment of debts caused alarming sacrifices of both personal and real-state ; spread distress far and wide among the masses of the people ; aroused in the hearts of the sufferers the bitterest feelings against lawyers, the courts and the whole creditor class ; led to a popular clamor for stay-laws and various other radical measures of supposed relief, and finally filled the whole land with excitement, apprehension and sense of weakness and a tendency to despair of the Republic. Inability to pay even necessary taxes became general, and often these could be collected only by levy and sale of the homestead."—MASON.

Such were the ruinous results that necessarily followed the adoption of a free trade policy under the Confederacy.

A writer of that period says : "We are poor, with a profusion of material wealth in our possession. That we are poor, needs no other proof than our prisons, bankruptcies, judgments, executions, auctions, mortgages, etc., and the shameless quantity of business in our courts of law."

HILDRETH'S HISTORY at page 465—68, Vol. III, speaking of this period, has this true but terrible indictment : "The large importation of foreign goods, subject to little or no duty, and sold at peace prices, was proving ruinous to all those domestic manufactures and mechanical employments which the non-consumption agreements and the war had created and fostered. Immediately after the peace, the country had been flooded with imported goods, and debts had been unwarily contracted, for which there was no means to pay."

Our imports from Great Britain alone were \$30,000,000 in 1784—85, while our exports to her were only \$9,000,000—a frightful balance on the wrong side. They drained us of our last dollar and left us, for a circulating medium, only orders on State tax-collectors and depreciated certificates of State and Federal debt, themselves worthless.

OTHER CALAMITOUS RESULTS.—The distress became universal and calamitous.

In the District of Maine, a Convention was held for the purpose of revolting from the State of Massachusetts. In New Hampshire, the people surrounded the building where the Legislature was in session and declared that it should not adjourn till it had passed measures to abolish debt, or to relieve the people in some other way.

In Massachusetts, fully one-third of the population joined in Shay's Rebellion on account of the abject poverty and distress of the people, and nothing less than military force was able to repress all these lawless demonstrations and revolts.

Among the causes that led to Shay's Rebellion Hildreth mentions : "the want of a certain and remunerative market for the produce of the

farmer, and the depression of domestic manufactures by competition from abroad."

The French minister at that period after relating the foregoing disturbances, adds: "It must be agreed that these insurrections are, in a great part, due to the scarcity of specie."

In Connecticut, more than five hundred farms were offered for sale for arrears of taxes, which the owners were too poor to pay; and in Pennsylvania, North Carolina and South Carolina, matters were scarcely any better.

There was no market for real-estate, and debtors, who were compelled to sell their lands, were ruined, without paying one-fourth of the demands against them.

Men universally distrusted each other. The bonds of men whose competency should have been unquestioned could not be negotiated, except at a discount of thirty, forty, or even fifty per cent.

FREE TRADE THE REAL CAUSE OF THESE EVILS. — It was generally understood and agreed, by the writers and statesmen of that distressful period, that the widespread and almost universal ruin which then involved the States in general disorder, revolt and rebellion, were in great part, if not wholly, due to the scarcity of specie, or good money.

In his "History of the Insurrection," Minot regards as one of the leading causes that led to those troubles: "The loss of many markets to which Americans had formerly resorted with their produce. Thus was the usual means of remittance by articles of the growth of the country almost annihilated, and little else than specie remained to answer the demands incurred by importations. The money, of course, was drawn off, and this being inadequate to the purpose of discharging the whole amount of foreign contracts, the rest was chiefly sunk by the bankruptcies of the importers. The scarcity of specie, arising principally from this cause, was attended with evident consequences; it checked commercial intercourse through the community, and furnished reluctant debtors with an apology for withholding their dues both from individuals and the public."

But the scarcity of specie, or money, was due, as has already been shown, to the free trade policy of that period, which allowed and encouraged such enormous excess of imports over exports, and thus necessitated the withdrawal of the gold and silver from the country to pay such excess.

"Had there been no free trade, there would have been no inundation of foreign goods; had there been no inundation of foreign goods, there would have been no drain of specie; had there been no drain of specie, there would have been no lack of a circulating medium; had there been no such distress, there would have been no impulse toward insubordination to the State." (Mason).

Consequently, it follows legitimately, that free trade was the principal source or cause of the widespread discontent, distress, and the demoralization of that period.

A SUMMARY OF THESE EVIL RESULTS.—Free trade was the starting point. It was quickly followed by imports largely in excess of

exports ; then by a glut of foreign productions ; then by suspension of our own manufactures of all kinds ; then by a gradual, but complete, loss of all our specie ; then by the necessary stoppage of most of our business ; then by the enforced idleness of our laborers and artisans ; then by universal debt ; then by a crushing depreciation of real-estate ; then by a positive inability on the part of nearly everybody to pay their debts ; then by general distress and financial ruin ; and finally, by insurrections and rebellions which threatened destruction to the life and liberties of the nation.

“ As this was the closest approach to absolute free trade ever tried by this country, so there was the largest harvest of dangers and calamities ever experienced by the American People.” (Mason).

For this reason I have dwelt more at length upon the period of the Confederacy, and for the further reason that the causes of the terrible sufferings and disasters of our forefathers, under the free trade policy of that period, are so little understood and appreciated.

THE INFLUENCE OF ENGLISH TEACHINGS.—Lured on by these false doctrines of political economy, our people had been drawing closer and closer to the brink of individual and national bankruptcy, and consequent political annihilation ; and at last they stood where another step in that direction was impossible without plunging into that bottomless abyss. If they would survive as a nation, there was but one thing for them to do, or that they could do—and that was to turn away from free trade and lay hold on protection.

Our forefathers were not fools, though they acted very foolishly. They had been educated, as just stated, in the false doctrines of political economy as taught in England—the most swinishly selfish system ever formulated by man ; and these doctrines had been so firmly established in their minds that nothing less than the bitter school of adversity, I have just outlined, could correct and eradicate them.

But standing there upon that brink of sure destruction, they had the good sense to see the truth, and to declare that, while they were willing to give up everything, even to life itself, to maintain liberty and national independence, they could not see any good reason why they should sacrifice themselves to maintain a doctrine (free trade) that had brought to them only distress, misery and financial ruin.

DEMAND FOR A NATIONAL CONSTITUTION.—And now having discovered their impending danger ; and the cause of it ; having been convinced of the false and ruinous commercial policy of England toward them—the policy of practical free trade—and having comprehended the fact that a home market and home protection affords the only real safety for the American people, they took immediate steps to convene a Constitutional Convention, to draft a Constitution which should secure these great blessings, with others, to them and their posterity forever. They had learned that a strong central power was necessary, and that many rights, then reserved to the States, must be delegated to this central power.

THE LEADING QUESTION.—There were other great questions to be discussed and settled, but the leading question was: "How shall we secure protection to home industries?"

"The people of this country demanded a Union stronger than the Confederation, for the very purpose of shielding home industries from the prostrating assaults of foreign competition, through the regulation of commerce with other nations, so as to check or to prohibit the importation of commodities that interfered with the growth and prosperity of domestic manufactures; and so as to give native productions an impetus which would develop all the resources inherent within the boundaries of the nation, essential for the supply and consumption of the population at all times. No fact is more securely established than is this." (Mason).

In the debate on the first tariff bill in 1789, Fisher Ames, one of the ablest men in that Congress, said:

"I conceive, sir, that the present Constitution was dictated by commercial necessity more than by any other cause. The want of an efficient government to secure the manufacturing interest, and to advance our commerce, was long seen by men of judgment and pointed out by patriots solicitous to promote our general welfare."

The historian, Bancroft, says: "The necessity for regulating commerce (i.e., for providing a proper tariff) gave the immediate impulse to a more perfect Constitution."—(Vol. I., page 146.)

Daniel Webster, historically known, as "the Great Expounder of the Constitution," in a speech at Buffalo, June, 1833, declared: "The protection of American labor against the injurious competition of foreign labor, so far at least as respects general handicraft productions, is known historically to have been one end designed to be obtained by establishing the Constitution."

Years later he repeated this idea, but much clearer and stronger in a speech at Albany, in August, 1844, when he said:

"In Colonial times, and during the time of the Convention, the idea was held up, that domestic industry could not prosper, manufactures and the mechanic arts could not advance, the condition of the common country could not be carried up to any considerable elevation, unless there should be one government to lay one rate of duty upon imports throughout the Union; regard to be had, in laying this duty, to the protection of American labor and industry.

"I defy the man in any degree conversant with the history, in any degree acquainted with the annals of this country from 1787 to 1789, when the Constitution was adopted, to say that protection of American labor and industry, was not a leading, I might almost say, the leading motive, South as well as North, for the formation of the new government. Without that provision in the Constitution, it never could have been adopted."

Another remarkable man who made a careful study of this matter (Rufus Choate), declared: "A whole people, a whole generation of our fathers, had in view, as one grand end and purpose of their new govern-

ment, the acquisition of the means of restraining, by governmental action, the importation of foreign manufactures, for the encouragement of manufactures and of labor at home ; and desired and meant to do this by clothing the new government with this specific power of regulating commerce. This whole country, with one voice, demanded to have inserted in the Constitution the power to enact protective legislation, a power which they held as another declaration of independence—a power by which we are able to protect all our children of labor. This power must not be surrendered, must not sleep, until the Union flag shall be hauled down from the last mast-head—a slight which, I trust, neither we nor our children to the thousandth generation are doomed to see.”

If there were room, this position could be fortified with other quotations from Fisher Ames, Edward Everett, James Madison and many others, but they must be omitted at this time.

The Convention was held ; the Constitution was drafted, accepted, and adopted. The First Congress was elected under its provisions, and by this Congress, the splendid machinery of the Constitution was set in motion.

CHAPTER II.

FIRST PROTECTION PERIOD—1789 TO 1816.

1789.—THE TARIFF THE FIRST QUESTION.—The tariff question was the very first subject discussed by the First Congress ; and for more than one hundred years has been the one subject that has never been finally settled.

Nullification, Secession, Banks, Slavery, and Reconstruction, have had their times of fierce discussion, and have all been forever settled, but the tariff was never a more vital question than it is to-day.

The first Act of the First Congress regulated the form of the oath to be taken by officials, and was merely formal, but the first Act of that Congress affecting the country was the Act establishing a Protective Tariff, passed and signed by George Washington, July 4th, 1789.

The discussion was long and earnest. It was participated in by such men as James Madison, R. H. Lee, Charles Carroll, Rufus King, Oliver Ellsworth, Fisher Ames, Roger Sherman, J. Trumbull, and others ; and a Congress composed of such men passed a Tariff Act in the interest of protection and not for “revenue only,” for in the Preamble to the Act, occur these words : “Whereas, it is necessary for the support of the government, for the discharge of the debt of the United States, and for the encouragement and protection of manufactures, that duties be laid on imported goods, etc., therefore be it enacted,” etc.

It may be remarked in passing that a large majority of that First Congress were farmers ; but they saw the necessity of encouraging and protecting manufactures, in order that they might be free from servile and

dangerous dependence upon foreign nations for the arms, the implements of farming and other machinery needed for their own safety, protection and independence.

It is thus seen that the doctrine of protection to home manufactures—to home products, was coeval with our national organization. It had its enemies even then ; and then, as now, the most conspicuous were either Englishmen or men imbued with English ideas ; but all of the leading men ; the men whose actions and legislation made the Revolution a success ; the men who formulated our glorious Constitution, and secured its adoption by the several States—all voted for the Protective Tariff Bill, and rejoiced greatly when it became a law.

OPINIONS OF PRESIDENTS.—Five of these leading men became Presidents while the law of 1789 remained on our Statue Book ; and it may not be uninteresting nor unprofitable to learn right here what these great men thought of Protection to home manufactures.

GEORGE WASHINGTON, in his first annual message, speaking of our nation as “a free people,” said :

“Their safety and interest require that they promote such manufactures as tend to render them independent of others for essentials, particularly military supplies.”

In his seventh annual message he shows that “our agriculture, commerce and manufactures prosper beyond example (under the tariff of 1789). Every part of the Union displays indications of rapid and various improvement, and with burdens so light as scarcely to be perceived. Is it too much to say that our country exhibits a spectacle of national happiness never surpassed, if ever before equalled ?”

In his eighth and last annual message Washington said : “Congress has repeatedly and not without success, directed their attention to the encouragement of manufactures. The object is of too much consequence not to insure a continuance of their efforts in every way which shall appear eligible.”

JOHN ADAMS, our second President, in his last annual message referred to our economical system, and congratulated the country upon the great prosperity then existing, and added : “I observe, with much satisfaction, that the product of the revenue during the present year has been more considerable than during any former period.

“This result affords conclusive evidence of the great resources of the country, and of the wisdom and efficiency of the measures which have been adopted by Congress, for the protection of commerce and preservation of the public credit.”

THOMAS JEFFERSON, our third President, often referred to as the Founder of the Democratic Party, in his second annual message, in enumerating the land-marks by which we are to guide ourselves in all our proceedings, mentions the following as one of the most prominent : “To protect the manufactures adapted to our circumstances.”

Our protective system, under the Tariff Act of 1789, had produced results far greater and more satisfactory than had been anticipated ; and

in 1806 Mr. Jefferson found that there was likely to be a considerable surplus after paying all the public debt called for by our contracts ; and in his sixth annual message he thus presents his views to the country as to the best method of disposing of that surplus : " Shall we," he asks, " suppress the imposts (duties) and give that advantage to foreign over our domestic manufactures ? On a few articles of more general and necessary use, the suppression in due season, will doubtless be right ; but the great mass of the articles on which imposts are laid, are foreign luxuries, purchased by those only who are rich enough to afford themselves the use of them."

Again he wrote : " The general inquiry now is, shall we make our own comforts, or go without them at the will of a foreign nation ? He, therefore, who is now against domestic manufactures, must be for reducing us either to a dependence upon that nation, or to be clothed in skins and live like beasts in caves and dens. I am proud to say I am not one of these. Experience has taught me that manufactures are now as necessary to our independence as to our comforts."

" The prohibiting duties we lay on all articles of foreign manufacture, which prudence requires us to establish at home, with the patriotic determination of every good citizen to use no foreign article which can be made within ourselves, without regard to difference of price, secures us against a relapse into foreign dependency."

In his letter to Humphrey, 1809, he wrote : " My own idea is that we should encourage home manufactures to the extent of our own consumption of everything of which we raise the raw materials."

In 1817, after the close of the second war with Great Britain, in accepting an election to membership in a " Society for the Encouragement of Domestic Manufactures," Jefferson wrote : " The history of the last twenty years has been a significant lesson for us all to depend for necessities on ourselves alone ; and I hope twenty years more will place the American hemisphere under a system of its own, essentially peaceable and industrious and not needing to extract its comforts out of the eternal fires raging in the old world."

JAMES MADISON, our fourth President, recognized as " the Father of the Constitution," in a special message to Congress, May 23, 1809, said : " It will be worthy of the just and provident care of Congress to make such further alterations in the laws as will more especially protect and foster the several branches of manufacture which have been recently instituted or extended by the laudible exertions of our citizens."

Again, in a special message, Feb. 20, 1815, Mr. Madison said : " But there is no subject that can enter with greater force and merit into the deliberations of Congress than a consideration of the means to preserve and promote the manufactures which have sprung into existence and obtained an unparalleled maturity throughout the United States during the period of the European wars. This source of national independence and wealth I anxiously recommend, therefore, to the prompt and constant guardianship of Congress."

JAMES MONROE, our fifth President, in his inaugural said : " Our

manufactures will likewise require the systematic and fostering care of the government. Possessing, as we do, all the raw materials, the fruit of our own soil and industry, we ought not to depend, in the degree we have done, on supplies from other countries. Equally important is it to provide at home a market for our raw materials, as by extending the competition it will enhance the price and protect the cultivator against the casualties incident to foreign markets."

In his seventh annual message he says : " Having formerly communicated my views to Congress respecting the encouragement which ought to be given to our manufactures, and the principle on which it should be founded, I have only to add that those views remain unchanged. I recommend a review of the tariff for the purpose of affording such additional protection to those articles which we are prepared to manufacture, or which are more immediately connected with the defense and independence of the country."

Here, then, are the views in brief of our first five Presidents, and the foremost men of the years in which the Tariff Act of 1789 was a law. We find no hint of dissatisfaction with protection ; no suggestion of a repeal of the law, and no intimation of a modification of the tariff laws, except to give them " a prompt and constant guardianship " and " additional protection to those articles we are prepared to manufacture," etc.

Let us now return to our " Historical Statement," and learn, if we may, what were some of the resulting benefits from the new Tariff Law.

BENEFITS OF THE TARIFF OF 1789.—Agriculture became more extensive and prosperous ; commerce increased with wonderful rapidity ; old industries were revived, and many new ones were established in all parts of the country ; our merchant-navy was revived and multiplied ; all branches of domestic trade were prosperous ; our revenue soon became sufficient to pay the expenses of the government, and give relief to its creditors ; the people again became contented and industrious ; and the whole country seemed to be, and was, on the high road to great national wealth and prosperity.

No material changes in the law of 1789 were enacted till 1812, and the general prosperity above indicated continued through that period.

1808.—EMBARGO ACT.—This Act has no relation whatever to the Tariff Act ; neither was it a Tariff Act ; but, as in tracing the history of the Tariff from 1789, free traders often refer to this Act as " Tariff legislation prohibiting all importation, followed by universal disaster," it may be well to see just what the truth is about it.

They (the free traders) intend to convey the impression that this absolute prohibition of importations in 1808 was passed in the interest of protection ; than which nothing could be further from the truth.

This " prohibition " was the celebrated " Embargo Act " of 1808, and grew out of the war between Great Britain and France.

Each of these countries had prohibited all commerce with the other, established blockades, and authorized the search of neutral vessels. So outrageous was their conduct that President Jefferson wrote that " Eng-

land was a den of pirates and France a den of thieves ;" and at his suggestion Congress passed the Embargo Act as a measure of retaliation against these nations. But as our home productions were then quite limited, it was soon found that the Embargo Act was more hurtful to us than to our enemies ; and within a year, at Jefferson's suggestion, it was repealed. But in all the discussion that led to its enactment or repeal, nothing was said about "tariff" or "protection." But even that Act was not without its compensation ; for it gave a great stimulus to the establishment of new industries and manufactures for making those articles which formerly were imported, but which under that prohibition had to be made here or not at all.

1812.—THE TARIFF DUTIES RAISED.—In 1812, as a measure to raise money to carry on the war with England, the tariff duties were nearly doubled, greatly to the benefit of the country and of its home industries ; —the increase to be taken off after the close of the war.

This was the period of our second war with Great Britain ; and of course our importations were very small, as England would sell us nothing, and, with her war vessels, strove to destroy all our importations from other countries.

The very fact that our importations were thus all stopped, or nearly so, compelled us to erect factories and foundries of our own, and start new industries to supply our necessities ; and notwithstanding this tremendous strain and demand upon our resources, caused by the three years' war from 1812, we made rapid progress in national wealth and manufacturing ability during this period. Of course, there was much of distress and hard times, war always produces these. New England shipping was somewhat disturbed, but New England was more than compensated by the great increase that came to her manufactures during this period. In a special message President Madison earnestly asked of Congress, "deliberate consideration of the means to preserve and promote the manufactures which have sprung into existence and attained an unparalleled maturity throughout the United States during the period of the European wars."

CHAPTER III.

SECOND FREE TRADE PERIOD—1816-1824.

1816.—REPEAL OF THE TARIFF.—But in 1816, by one of those inexplicable changes in public opinion, probably a mere desire for a change similar to that of 1884, there was a decided re-action from the high tariff rates of 1812, and in favor of the Democratic Party and its economic ideas, which have always leaned toward free trade or very low tariff rates. The law of 1789 and the amendment of 1812 were repealed, and lower duties substituted therefor. And while there were some protective features retained in the Act of 1816, it was nevertheless a very wide and dis-

astrous departure from the tariff rates of 1812 ; and at the best was only "moderately protective." •

WHY THE TARIFF OF 1816 FAILED.—But there was some extraordinary reasons why the Tariff of 1816 was a failure and why its rates were insufficient.

At the close of the war between the United States and Great Britain, England and English manufacturers made two discoveries which were very startling and disagreeable to them. First, That having been deprived by the Embargo Act and the subsequent war of the American markets, the British manufacturers found their warehouses at the close of the war full to bursting with unsold productions of various kinds, for which they were very anxious, but unable, to find a market. Second, That the Americans compelled by the same reasons to rely upon themselves instead of the English manufacturers for their supplies during this period, had established successfully a large number of home industries, and were, by this means, able to a great degree to supply their own market.

In this dilemma, England saw that she must act promptly and crush out these young American industries, or her American market would be forever lost, and her manufacturing industries permanently crippled. So she resolved to flood this country with her goods then on hand, many of which were old and out of fashion, far below cost. It was a matter of so much importance that it was discussed in Parliament, and Mr. (afterward Lord) Brougham declared in the House of Commons in 1816 : "It is well worth while to incur a loss upon the first exportation, in order, by the glut, to stifle in the cradle those infant manufactures in the United States, which the war has forced into existence."

This policy was decided upon, and Great Britain poured her fabrics and accumulated stocks of goods into our markets in an overwhelming torrent and far below cost. The tariff of 1816 was intended as a barrier against this inundation, and under ordinary circumstances would have proved such. But it was a matter of life or death with the English manufacturers, and so they continued to pour in their goods upon us at prices far lower than we could make them ; and true to British custom they persevered in this policy till our own industries were very nearly ruined.

The foreign goods imported at this period were more than twice the quantity that could be consumed. Niles, in his history, says : "It is notorious that great sums of money were expended by the British to destroy our flocks of sheep, that they might thereby ruin our manufactories. They bought up and immediately slaughtered great numbers of sheep ; they bought our best machinery and sent it off to England, and hired our best mechanics and most skillful workmen to go to England, simply to get them out of this country, and so hinder and destroy our existing and prospective manufactures."

RESULTS OF THE REPEAL.—Then great depression in all branches of business at once followed. Bankruptcy soon became general, and financial ruin was everywhere present. It could not be otherwise. Carey,

Greeley, Clay, Benton and others show that this was one of the most distressful periods of our national existence. "No price for property; no sales except those of the sheriff and the marshal; no purchasers at execution sales except the creditor, or some hoarder of money; no employment for industry; no demand for labor; no sale for the products of the farm; no sound of the hammer, except that of the auctioneer knocking down property. Distress was the universal cry of the people; relief, the universal demand, was thundered at the doors of all Legislatures, State and Federal." (Benton).

Horace Greeley says of this period: "At the close of the second war with England, Peace found this country dotted with furnaces and factories which had sprung up under the precarious shelter of embargo and war. These not yet firmly established found themselves suddenly exposed to a relentless and determined foreign competition. Great Britain poured her fabrics, far below cost, upon our markets in a perfect deluge. Our manufactures went down like grass before the mower, and our agriculture and the wages of labor speedily followed. Financial prostration was general, and the presence of debt was universal. In New England, fully one-fourth of the property went through the sheriff's mill, and the prostration was scarcely less general elsewhere. In Kentucky the presence of debt was simply intolerable. In New York, the leading merchants, in 1817, united in a memorial to Congress to save our commerce as well as our manufactures from utter ruin, by increasing the tariff duties."

Henry Clay declared that the average depression in the value of property, under that state of things, was not less than fifty per cent.

1818.—**THE TARIFF ACT OF 1818** was simply an amendment by which tariff duty was imposed upon a few articles which, prior thereto, were free.

It thus appears that the Tariff Acts of 1816 and 1818 were no exception to the rule that protective tariffs conduce to national prosperity, and very low tariff rates to national adversity; for though they were "moderately protective," in name, yet, under the outrageous and disgracefully selfish policy of Great Britain—a policy which we could not then have anticipated—those tariffs afforded insufficient protection; and insufficient protection is, practically, as bad as tariff for revenue only.

CHAPTER IV.

SECOND PROTECTION PERIOD—1824—1833.

1824.—PROTECTION AGAIN RESTORED.—The disastrous state of affairs described in Chapter III. continued for several years, until our people, with a mighty effort, resolved to endure it no longer; and in 1824 Congress gave us a new tariff, far in advance of that of 1789, and our first protective tariff that gave us real protection.

This tariff was passed in response to a general demand of the country; and upon the urgent recommendation of President Monroe to give "addi-

tional protection to those articles which we are prepared to manufacture," etc. Everybody, except a few free traders, had become disgusted with a tariff that was nominally "moderately protective," while in fact, it afforded no real protection; and the Congress of that year was largely in favor of a strong protective tariff, in fact as well as in name.

The advocates of this Tariff Act insisted upon its passage, in order to give to the country that strength and power which arise from possessing within itself the means of defense, and to rescue it from the dangers and disgrace of habitual dependence upon foreign nations for the common daily necessities of life.

The enemies of the bill were no less determined in their opposition. No denunciation of it could be too severe; no prophecy of evil to come from it could be too doleful.

Soon after the tariff bill of 1824 was reported, a New York evening newspaper, now, as then, one of the ablest and most uncompromising advocates of free trade, said, editorially:

"Pass the tariff as reported by the committee and you palsy the Nation. Pass it, and where will you any longer find occupants for your costly piles of stores and dwelling-houses? Pass it, and who will be exempt from its grinding operation?"

"The poorer classes, especially, must feel its effect in paying an additional price for every article of clothing they and their families wear, and every mouthful they eat or drink, save cold water; and to that will they ere long be reduced."—*New York Evening Post*, July, 1824.

Major McKinley commenting on this, says: "None of these awful prophecies were fulfilled; none of these dire results ensued. The nation was not palsied, but quickened into new life. The merchants did not move out of their costly piles of stores and dwelling-houses, they remained only to require larger and finer and more costly ones; the poorer classes were not driven to cold water as their only food and diet, but their labor was in greater demand and their wages advanced in price. The entire country under the tariff moved on to higher triumphs in industrial progress, and to a higher and better destiny for all of its people."

John Randolph, one of the ablest of Democrats, fiercely opposed the bill, and in a speech in Congress, after showing the great advantages of Great Britain in manufacturing, added: "It is in such a climate only that the human animal can bear, without extirpation, the corrupted air, the noisome exhalations, the incessant labor of these accursed manufactories. Yes, sir, accursed, for I say it is an accursed thing. We should have the yellow fever from June to January, and January to June. The climate of this country alone, were there no other natural obstacles to it, says aloud—You shall not manufacture."

One of its strongest advocates and supporters was Andrew Jackson, then United States Senator, and now the patron saint of the Democratic Party. Let us see what he thought of protection in 1824: "Providence," said he, "has filled our mountains and our plains with minerals—with lead, iron and copper—and given us a climate and soil for the growing of

hemp and wool. These being the greatest materials of our national defense, they ought to have extended to them adequate and fair protection, that our manufacturers and laborers may be placed in a fair competition with those of Europe ; and that we may have within our country a supply of those leading and important articles so essential in war. We have been too long subject to the policy of British merchants. It is time we should become a little more Americanized ; and, instead of feeding the paupers and laborers of England, feed our own ; or else in a short time by continuing our present policy (that under tariff of 1816) we shall all be rendered paupers ourselves. It is my opinion therefore that a careful and judicious tariff is much wanted."

RESULTS QUICK AND HELPFUL.—The Bill was passed, and again, and at once, an era of great financial prosperity set in. So marked and helpful was the improvement that in 1828 the duties were raised still higher ; and yet business improved ; new industries were started, and prosperity gladdened the people.

Hear what President Andrew Jackson said in his annual message, in December, 1832, concerning the results and benefits of eight years of protection under the Tariffs of 1824 and 1828 : "Our country presents, on every side, marks of prosperity and happiness, unequalled, perhaps, in any other portion of the world."

The relief to the country, attained through these Tariffs of 1824 and 1828, "was profound and general, reaching all classes—the farmer, the manufacturer, the ship-owner, the mechanic, and the day laborer. The change was as great as was wrought when Hamilton smote the rock of public credit and abundant streams of revenue gushed forth." (Webster.)

Henry Clay, speaking in the United States Senate in 1832 about this period, said : "On a general survey we behold cultivation extended ; the arts flourishing ; the face of the country improved ; our people fully and profitably employed ; the public countenance exhibiting tranquility, contentment and happiness ; its public debt of two wars nearly redeemed ; and, to crown all, the public treasury overflowing. If the term of seven years were to be selected of the greatest prosperity which this people has enjoyed since the establishment of their present Constitution, it would be exactly that period of seven years which immediately followed the passage of the Tariff of 1824."

This view is sustained by the best writers concerning that period, who all agree that our manufactures were flourishing, that our currency was good, our crops abundant, and our commerce prosperous. These combined influences invariably enhance the demand for labor, increase its value, establish a general prosperity for the country and contentment for the people.

President John Quincy Adams, who succeeded Mr. Monroe, was also a strong friend of protection, and in his fourth annual message discusses at some length our agricultural, commercial and manufacturing interests, and shows that "all these interests are alike under the protecting power

of the legislative authority," and proceeds to make himself clear and explicit in his defense of the principles of protection.

1832.—TARIFF OF 1828 AMENDED.—The Tariff Act of 1832 was really nothing but some slight amendments to the Act of 1828. Southern feeling against the Tariff of 1828 was exceedingly bitter, and they were determined to have actual free trade, if possible. They demanded, through the Committee of Ways and Means, that the protective system be "utterly and absolutely abandoned;" and declared that "Congress should adopt no half-way measures, no temporary expedients, but 'reform it altogether.'"

But the country, as a whole, had never been so prosperous as under the policy of the Tariff of 1828, and they were in no mood to yield to this foolish demand of the South. But, for the sake of peace and of conciliating the South, they were willing to make some concessions to this free trade prejudice, and, therefore, certain coarse wools were put upon the free list, and some reduction was granted upon articles made from those wools. But the protective principle of the Act of 1828 was still retained on the expressed ground that it was necessary for building up and sustaining our own manufactures as one of the essential means of increasing and maintaining our national greatness.

CHAPTER V.

THIRD FREE TRADE PERIOD—1833-1842.

1833.—FREE TRADE AGAIN.—But in 1833, the year following that in which Jackson used the words just quoted, the enemies of protection, led by the Democratic Party, rallied their forces and again secured control of Congress; through a disgraceful compromise with Southern nullifiers, protection was abandoned; the protective Tariff Acts of 1824 and 1828 were repealed, and duties too low to afford any real protection to home industries were established by that Congress.

The Tariff Act of 1833 was intended as a compromise and conciliatory measure. The South was on the verge of open rebellion, so determined were they not to submit to the protective system. Mr. Clay and Congress did not intend to give up the protective principle of the Act of 1828; but, like all such compromise measures, it yielded just enough to completely destroy its efficiency, as was subsequently learned to our sorrow. It provided that by a sliding scale of one-tenth bi-annually all duties in excess of twenty per cent should be abolished within a period of ten years. In its results and effects it was really an abandonment of the protective principle; for the reductions allowed were soon found to afford "insufficient protection," which is practically no protection; as was so terribly proven under the Tariff of 1816. Industry and trade soon declined, and again foreign goods poured like an inundation into our markets.

RESULTS OF THIS REPEAL.—Again financial depression followed ; assignments and bankruptcies resulted everywhere ; manufacturers suspended operations, and business grew worse and worse till the culmination was reached in the financial crash of 1837, one of the most appalling and disastrous financial revulsions ever known—severer even than that which followed the repeal of the first Tariff in 1816.

The revulsion of 1837 produced a far greater havoc than was experienced in the period above mentioned. The ruin came quickly and fearfully. There were few that could save themselves. Property of every description was parted with at prices that were astounding, and as for the currency, there was scarcely any at all. "In some parts of Pennsylvania the people were obliged to divide bank notes into halves, quarters, eighths, and so on, and agree from necessity to use them as money. In Ohio, with all her abundance, it was hard to get money to pay taxes. The sheriff of Muskingum County, as stated by the *Guernsey Times*, in the summer of 1842, sold at auction one four-horse wagon at \$5.50 ; ten hogs at 61-4 cents each ; two horses (said to be worth \$50 to \$75 each) at \$2 each ; two cows at \$1 each ; a barrel of sugar at \$1.50, and a store of goods at that rate. In Pike County, Mo., as stated by the *Hannibal Journal*, the sheriff sold three horses at \$1.50 each ; one large ox at 12 1-2 cents ; five cows, two steers and one calf, the lot at \$3.25 ; twenty sheep at 13 1-2 cents each ; twenty-four hogs, the lot at 25 cents ; one eight-day clock at \$2.50 ; lot of tobacco, seven or eight hogsheads, at \$5 ; three stacks of hay, each at 25 cents, and one stack of fodder at 25 cents." (Colton's "Life of Henry Clay," Vol. I.)

The whole country went into liquidation ; bank loans and discounts fell off more than one-half ; the money loss to the country was not less than \$1,000,000,000, to say nothing of the tremendous strain upon the moral sense of the people.

All prices fell off ruinously ; production was greatly diminished, and in many departments practically ceased ; thousands of workmen were idle, with no hope of employment, and their families suffering from want. Our farmers were without markets ; their products rotted in their barns ; their lands, teeming with rich harvests, were sold by the sheriff for debts and taxes. The Tariff which robbed our industries of protection failed to supply the government with necessary revenues. The National Treasury, in consequence, was bankrupt and the credit of the Nation very low. In the first six years after 1834 the revenue fell off twenty-five per cent, and the government was obliged to borrow money at high rates of interest to pay current expenses.

1837.—PRESIDENT MARTIN VAN BUREN, in 1837, superseded Mr. Jackson ; but Mr. Van Buren was so ambitious for office, so reckless of principle in obtaining it, so timid and abject before Southern politicians in soliciting it, that, so far as I can ascertain, he dared not express himself officially upon the subject of protection.

He is believed to have been personally in favor of protection ; but he and President Pierce, alone of all the Presidents, hold the unenviable dis-

tion of having lacked the moral courage to state their opinions. So far as is known, officially, Van Buren was neither for nor against; and, like a scripture party, because he was neither hot nor cold, in 1840 the people spewed him out of politics into inglorious retirement.

1840.—THE DEMOCRATIC NATIONAL CONVENTION condemned protection and indorsed practically free trade in its platform of 1840.

1841.—PRESIDENT WILLIAM H. HARRISON, a Whig and a strong protectionist, succeeded Mr. Van Buren, but he lived only a month after his inauguration and had no opportunity to make his opinions felt.

VICE-PRESIDENT JOHN TYLER succeeded Harrison, and while he was professedly a protectionist his Southern training and associations had made him one of a very mild type.

Fortunately, however, for the country, a strong Whig and Protectionist majority now had control in Congress, and soon made itself felt.

CHAPTER VI.

THIRD PROTECTION PERIOD—1842—1846.

1842.—PROTECTION ONCE MORE.—The state of things as set forth in the last chapter, under the Tariff of 1833, continued till 1842, when the Whigs came back to power. They found the country completely exhausted by misrule and free trade, but quickly turned the tide by passing another highly protective tariff.

It was too high, indeed, to suit President Tyler, and he vetoed it; but the country by this time had become so earnest and determined in this matter that Congress dared not yield to him, and so passed it over his veto.

RESULTS.—No sooner was this done than the financial gloom began to pass away; the sun of prosperity shone forth; business revived everywhere; and factories and other industries sprang up on every hand throughout the North. Confidence was restored, and customs receipts increased the first year (1843) seventy-five per cent over the last year of the compromise Tariff of 1833.

“After four years of real prosperity under this Tariff of 1842, how great was the change. Labor was everywhere in demand. Planters had large crops, and the domestic market was growing with a rapidity that promised better prices. The produce of the farm was in demand and prices had risen. The consumption of coal, iron, wool and cotton and woollen cloth was immense and rapidly increasing, while prices were falling because of the rapidly improving character of the machinery of production. Production of every kind was immense, and commerce, internal and external, was growing with unexampled rapidity. Shipping was in demand, and its quantity was being augmented at a rate never before known. Roads and canals were productive. Corporations had been resuscitated, and States had recommended payment, and the credit of the Union was so high that the same persons who had vilified the people and

the government of the Union—under the compromise Tariff of 1833—were now anxious to secure their custom on almost any terms.” (Carey.)

So very positive and decided was the improvement that President Polk, another Democrat, and a free trader, in his annual message of December, 1846, was constrained to say :

“Labor in all its branches is receiving an ample reward ; while education, science and the arts are rapidly enlarging the means of social happiness. The progress of our country in her career of greatness, not only in the vast extension of her territorial limits, and in the rapid increase of our population, but in resources and wealth, and in the happy condition of our people, is without an example in the history of nations.”

Compare this condition with those of the previous free trade periods, already described, and closing in 1789, 1824 and 1842 respectively, and decide which system, in your opinion, is the better for our country.

THE SOUTH OPPOSED TO PROTECTION.—But by this time (1842-43) the slave power of the South had gained complete ascendancy in the Democratic Party. It saw at once that this new and surprising prosperity in the North, secured as it was by means of protection to their home industries, under the new tariff, would speedily checkmate and finally lead to the overthrow of their political domination in the control of the government.

Previous to this time, the South has been favorable to protection, and its greatest statesman, John C. Calhoun, was one of the staunchest defenders of a high protective tariff. In March, 1816, Mr. Calhoun made a strong speech in favor of a protective tariff, and among other things said :

“When our manufactures are grown to a certain perfection, as they will under the fostering care of government, the farmer will find a ready market for his surplus product, and what is of almost equal consequence, a certain and cheap supply of all his wants. His prosperity will diffuse itself to every class in the community. It (a protective tariff) is calculated to bind together more closely our wide-spread Republic, and give greater nerve to the arm of government.”

But no sooner did Mr. Calhoun and other Southern leaders see their “peculiar institution” (slavery) and their political ascendancy menaced by it, than they decided to throw all their political power against a protective tariff. So terrible, however, had been the late financial disaster of 1837 to 1842, under free trade, especially in the North, that they were compelled to resort to political fraud and deception if they would surely win.

IN 1844 THE DEMOCRATIC NATIONAL CONVENTION reaffirmed in their platform their opposition to protection and their endorsement of practical free trade.

FRAUDULENT CAMPAIGN OF 1844.—In 1844, as the opponent of Henry Clay, the Whig candidate and the champion of protection, the Democratic Party nominated James K. Polk for President. He was a good man personally, but weak, and he at once became the pliant tool of the slave oligarchy.

Colonel Benton in his “Thirty Years” (Vol. II., page 591) tells us of

the private and personal intrigue made by Mr. Polk in person with the Southern leaders, by which he thoroughly satisfied them that he would be with them in matters relating to tariff, slavery extension, etc.; and Benton denounces this "intrigue" as "one of the most elaborate, complex and daring ever practiced in an intelligent country." Of course, this "intrigue" was not generally known, but was confined to a few managers in the South. They knew their man, however, and trusted him. He had voted against the Tariff of 1828, which was favored by Jackson; he announced himself as steadily opposed to a protective policy; declared himself against the Tariff of 1842, and required its repeal and the restoration of the Act of 1833.

Why should not the South favor his election?

But Mr. Polk could not be elected without the electoral vote of Pennsylvania; and Pennsylvania was strongly protectionist. The protectionist supporters of General Jackson must be made to believe that the Tariff of 1842 would not be disturbed in case of Mr. Polk's election, or he could never get their votes. How was it possible to arrange this difficult matter?

A DOUBLE-FACED CANDIDATE.—To be a "free trader" in the South, and satisfy them of his sincerity and trustworthiness; and an undoubted protectionist in Pennsylvania, was indeed difficult and dangerous, and at the same time, execrably dishonest; but it must be attempted, or Mr. Clay would certainly be elected. He, therefore, wrote his celebrated "Kane letter," occupying forty days in the process; and never were "words used to conceal ideas" more skillfully or dishonorably than in this letter. His effort and intention were to convey the impression to Pennsylvanians, that he was a protectionist; to appear to say this, but in fact to say nothing of the kind. His effort was entirely successful. To help on this fraud George M. Dallas, of Pennsylvania, a professed protectionist, was nominated with Polk for Vice-President, to awaken State local pride.

In order to be entirely consistent, the friends of Polk insiduously circulated all through Pennsylvania, the rumor that Mr. Clay was unsound on protection; that if elected, he would use all his power to repeal the Tariff of 1842; and that the only way to insure the continuance of the Tariff of 1842 was to elect Mr. Polk. And so the battle went on. In the South the rallying cry was: "Polk, Texas and Free Trade;" in the North it was: "Polk, Dallas and the Tariff of '42."

It may now seem incredible that such double dealing could have succeeded, but it must be remembered that in those days the telegraph was comparatively new and undeveloped, and that the daily newspaper had not become the tremendous and omnipresent power which it now is; that the news was disseminated mainly by the easy-going weeklies, whose circulation was generally confined to limited areas, and were delivered by country stages, instead of swiftly running railway trains; hence, that scandalous duplicity, which now would be exposed in every hamlet of the nation within twenty-four hours and cause instant political death to its author.

brought victory to Polk. Of course, one of the sections was most grossly and intentionally deceived ; but it was not the South.

POLK SEVERELY CENSURED.—Years afterward, Chace, a personal friend of Mr. Polk, wrote a "History of Polk's Administration," and referring to Polk's connection with this letter, said : "If the principles which Mr. Polk really entertained were misunderstood, owing to the phraseology of the Kane letter, he was not himself altogether blameless. The voters in the North were deceived by the use of language which had the effect of obscuring, instead of more clearly defining his position. The statement that he was 'not in favor of a tariff for protection merely' should have been transposed to read that he was in favor of a tariff for revenue merely."

After the election and when Dallas was presiding in the Senate, Daniel Webster characterized this deception in severest terms ; and Senator Reverdy Johnson, of Maryland, excoriated Dallas in presence of the Senate, by accusing him of being a consenting party to the fraud ; and closed his remarks by declaring that "in the entire history of our party struggles—in all the agitations of the political elements—in all our conflicts for power, during every former period of the government—never had there existed such absolute, open and vile deception, as had been practiced by the Democratic leaders and politicians on confiding Pennsylvania."

DEMOCRATIC ENDORSEMENT OF POLK. — The sentiments of Webster and Johnson were very generally approved by this country when the facts became known ; but under the lead of the free trade Democracy of the South, the Democratic Party in its National Convention in 1848,

"Resolved, That the fruits of the great political triumph of 1844, which elected James K. Polk and George M. Dallas, have fulfilled the hopes of the Democracy of the Union, in the noble impulse given to the cause of free trade by the repeal of the Tariff of 1842, and the creation of the more equal, honest and productive Tariff of 1846 ; that the confidence of the Democracy of the Union in the principles, capacity, firmness and integrity of James K. Polk manifested by his nomination and election in 1844, has been signally justified by the strictness of his adherence to sound Democratic doctrines."

We have already seen how "his nomination and election" were brought about, and what his personal and political friend and biographer, as well as prominent Senators, thought of Polk's conduct in that campaign ; and now we see in this resolution how free trade Democracy regarded it. The reader is at liberty to form his own opinion from the recorded facts as herein transcribed.*

* I have dwelt longer on this disagreeable election than I otherwise should, because of its unfortunate and fatal influence upon the tariff legislation that followed.

CHAPTER VII.

FOURTH FREE TRADE PERIOD—1846-1861.

1846.—FREE TRADE TARIFF ONCE MORE.—It was quickly discovered after Polk was inaugurated, that a great fraud had been concealed in that cry of "Polk, Dallas, and the Tariff of '42," for no sooner were the Democrats in power than they, in 1846, repealed that very Protective Tariff of 1842 for which they had shouted so lustily ; and, meanest of all, that repeal was obtained by the casting vote of that same professed protectionist, George M. Dallas ; and again a tariff of very low duties became the policy of the country.

The passage of this Tariff bill was opposed most strenuously by the Whigs in Congress and by the protectionist newspapers ; and the direful results that followed were almost literally pictured and described.

Daniel Webster made one of his greatest speeches, running through three days, July 25, 27 and 28, 1846, and showed its true character. He said : "You indulge in the luxury of taxing the poor man and the laborer ! That is the whole tendency, the whole character, the whole effect of the bill. One may see everywhere in it the desire to revel in the delight of taking away men's employment. It is not a bill for the people or the masses. It is not a bill to add to the comforts of those in middle life, or of the poor. It is not a bill for employment. It is a bill for the relief of the highest and most luxurious classes of the country, and a bill imposing onerous duties on the great industrious masses, and for taking away the means of living from labor everywhere throughout the land." He showed clearly that this bill narrowed and diminished our industries, and thus deprived the masses of needed employment, and added : "The interest of every laboring community requires diversity of occupations, pursuits, and objects of industry. The more that diversity is multiplied, even extended, the better. To diversify employment is to increase employment and to enhance wages.

"And, sir, take this great truth ; place it on the title-page of every book of Political Economy intended for the use of the United States ; put it in every Farmers' Almanac ; let it be the heading of the column of every Mechanics' Magazine ; proclaim it everywhere, and make it a proverb, that where there is work for the hands of men, there will be work for their teeth. Where there is employment there will be bread. It is a great blessing to the poor to have cheap food, but greater than that, prior to that and of still higher value, is the blessing of being able to buy food, by honest and respectable employment. Employment feeds and clothes and instructs. Employment gives health, sobriety and morals. Constant employment and well-paid labor produce, in a country like ours, general prosperity, content, and cheerfulness."

The leading newspapers worked very hard to prevent its passage, but in vain ; and after it became a law declared, with true prophetic inspiration, what would follow.

July 29, 1846, the New York *Tribune* said :

"We believe the change just made entirely wrong—flagrantly, grievously wrong—yet we shall studiously avoid 'panic-making.' When the crisis has been met with manful resolution, we apprehend that there will be quite disaster enough, suffering enough, because of this great national mistake. We fear that thousands upon thousands who would have been steadily employed and comfortably situated, if this bill had not passed, will now be destitute of employment and dependent upon charity for bread."

July 30, 1846, the New York *Courier and Enquirer* said :

"The country will be flooded with foreign goods, many manufactories will be stopped, and others will work at half price ; the home market now being built up will be injured, ruinously low prices of agricultural products will follow, and the day laborer will be required to work for reduced wages. The consequence of such excessive importations will cause a balance of trade against us exceeding the amount of specie within the country, which must be sent abroad, followed, perhaps, by a derangement of our monetary system."

And on the same day the New York *Express* said :

"Wherever the news will go, it will sound a death-knell in the ear of industry and enterprise. No sadder tidings for many a year have reached all branches of labor, and the outcry, therefore, is general."

Similar quotations could be made to a great extent, but these must suffice.

The bill was passed, and went into operation, and the direful prophecies above quoted were fulfilled almost literally.

THE INEVITABLE RESULTS.—The same inevitable results followed, as always before, under free trade or very low duties, though they were postponed for some years by causes which will be referred to presently. It can be stated truthfully, that for some years after the repeal of the Tariff of 1842 there was an apparently increasing prosperity ; but the apparent success that seemed to follow the Tariff of 1846 was wholly due to external, adventitious, and unexpected causes. But as soon as these unusual and accidental resources were cut off, then followed the same disastrous results, as always before, under free trade or very low duties. Many industries were destroyed ; business was paralyzed ; total ruin overtook tens of thousands of the most useful merchants and manufacturers of the country ; and armies of toilers were hurled from the factory or the shop into the streets to steal or starve.

Our exports of cotton, rice, tobacco, corn and pork diminished ; the demand for ships and for labor fell off, and immigration, which had trebled under the workings of the Tariff of 1842, greatly declined.

THE PROPHECIES FULFILLED.—On December 18, 1854, the New York *Tribune* published a collection of facts which showed the dreary and prospectively desperate condition of industry and commerce. It showed that the chief industries necessary to the life of the nation were partially or wholly collapsed through the influences and effects of the British free

trade doctrines put into operation here by the Tariff of 1846; that our people had been brought to a condition which in Europe is attendant upon revolution, and that in every occupation and branch of business the depression was so terrible that one-half or more of all employees had been thrown out of employment. It added:

"What a picture is here presented! We have supported European manufacturers and artists and middlemen to the neglect, loss and destruction of our own men of industry and talent, of whatever kind, and that is the sole reason of our difficulty."

One year later, January 15, 1855, the New York *Tribune* printed the following pathetic article which explains itself: "Who is hungry? Go and see. You that are full-fed and know not what it is to be hungry—perhaps never saw a hungry man—go and see. Go and see thousands, men and women, boys and girls, old and young, black and white, of all nations, crowding and jostling each other, almost fighting for a first chance, acting more like hungry wolves than human beings, in a land of plenty, waiting till the food is ready for distribution. Such a scene may be seen every day between eleven and two o'clock around the corner of Orange and Chatham streets, where charity gives a dinner to the poor, and soup and bread to others to carry to their miserable families.

"On Saturday we spent an hour there at the hour of high tide. We have never seen anything like it before. Upward of a thousand people were fed with a plate of soup, a piece of bread and a piece of meat, on the premises, and in all more than sixteen hundred. On the same day one thousand one hundred and thirty portions of soup were dealt out from Stewart's 'soup kitchen,' corner of Reade street and Broadway. At the rooms on Duane street for the relief of the poor, on the same day, they gave food to two thousand two hundred and fifty-six. In the Sixth ward alone over six thousand persons were fed by charity on Saturday, January 13th. And this is only one day in one ward. Meanwhile, scenes of a like nature are being enacted all over the city.

"The cry of hard times reaches us from every part of the country. The making of roads is stopped, factories are closed and houses and ships are no longer being built. Factory hands, road makers, carpenters, bricklayers and laborers are idle, and paralysis is rapidly embracing every pursuit in the country. The cause of all this stoppage of circulation is to be found in the steady outflow of gold to pay foreign laborers for the cloth, the shoes, the iron and the other things that could be produced by American labor, but which cannot be so produced under our present revenue system. The convulsion would have come upon us sooner but for the extraordinary demand in Europe for breadstuffs, growing out of huge famines and big wars, and but for the dazzling and magnificent discovery of gold mines in California, by which hard money, sufficient to buy an empire, has been called into existence and exported to Europe. If we could stop the import of the foreign articles, the gold would cease to flow out to pay for them, and money would then again become more abundant, labor would then again be in demand, shoes, clothing and other commodi-

ties would then again be in demand, and men would then cease to starve in the streets of our towns and cities. If it be not stopped the gold must continue to go abroad, and employment must become from day to day more scarce, until where there are now many thousands we shall see tens of thousands of men everywhere crying: 'Give me work! Only give me work! Make your own terms—my wife and children have nothing to eat!'

But the Democracy was still in power, and was so infatuated with British free trade that, notwithstanding the fearful state of things just described, it would not stop the import of foreign made goods that our people might have work, nor the flow of gold to Europe to pay for them. The condition of the country went from bad to worse until the frightful culmination was reached in the panic of 1857, which will be discussed further on.

IN 1849 PRESIDENT ZACHARY TAYLOR succeeded Mr. Polk, and in his first annual message, December, 1849, referring to insufficient revenue under the Tariff of 1846, said :

"I recommend a revision of the existing tariff, and its adjustment on a basis which may augment the revenue. I do not doubt the right or duty of Congress to encourage domestic industry. I look to the wisdom and patriotism of Congress for the adoption of a system which may place home labor, at last, on a sure and permanent footing, and, by due encouragement of manufactures, give new and increased stimulus to agriculture and promote the development of our vast resources and the extension of our commerce."

1850.—VICE-PRESIDENT FILMORE was the successor of Mr. Taylor, who lived but a few months as President.

Hear what he had to say in his annual message in December, 1851, concerning the results flowing from the repeal of the Tariff of 1842. Said he : "The value of our exports of bread-stuffs and provisions, which it was supposed the incentive of a low tariff and large importations from abroad would have greatly augmented, has fallen from \$68,000,000 in 1847, to \$21,000,000 in 1851, with almost a certainty of a still further reduction in 1852. The policy which dictated a low rate of duties on foreign merchandise, it was thought by those who established it, would tend to benefit the farming population of this country by increasing the demand and raising the price of our agricultural products in foreign markets. The foregoing facts, however, seem to show, incontestibly, that no such result has followed the adoption of this policy."

THE REASON FOR THIS FREE TRADE POLICY.—The action of Mr. Polk and his administration in causing the repeal of the Protective Tariff of 1842, and substituting therefor the Free Trade Tariff of 1846, is so incomprehensible to Americans of the present day that it may be helpful and advantageous to us to find and understand the reason that led them to do as they did in this respect.

Robert J. Walker, of Mississippi, was Mr. Polk's Secretary of the Treasury, and probably the ablest thinker and writer on the free trade side this country has ever produced.

The South under slavery was irrevocably committed to free trade, and Walker was selected as its leading advocate. Cotton was king and demanded an economical system based upon agricultural pursuits only. Walker wrote a long and very elaborate report, in which he boldly proclaimed the new doctrine that was to govern the nation from that time; and its leading thought or principle was contained in the following extract: "We have more fertile lands than any other nation; can raise a greater variety of products, and, it may be said, could feed and clothe the people of nearly all the world. Agriculture is our chief employment. It is best adapted to our situation. We can raise a larger surplus of agricultural products, and a greater variety than almost any other nation, and at cheaper rates. Remove then from agriculture all our restrictions, and by its own unfettered power it will break down all foreign restrictions, and, ours being removed, would feed the hungry and clothe the poor of our fellowmen, through all the densely peopled nations of the world."

This was the foundation-stone of the Tariff of 1846; as, in this country, agriculture must always be the basis of every free trade system. Like all free trade arguments it is made up of assumptions; but "free trade is the science of assumption." (Kelley.) Whenever or wherever any such economical system has been tried, it has invariably failed, and its fallacies and assumptions have been made apparent.

Though the English statesmen were very anxious to have us adopt the Walker's free trade policy, they knew it was wrong in principle and could not long succeed. One of their ablest leaders in Parliament, referring to a protective policy that France had adopted, said: "The policy that France acts on is that of encouraging its native manufactures, and it is a wise policy; for if she were freely to admit our manufactures, it would speedily reduce her to an agricultural nation, and therefore a poor nation, as all nations must be that depend exclusively upon agriculture." (Lord Goderich.)

WALKER'S THEORY ANSWERED.—The answers to this theory of Mr. Walker and the free traders were set forth with exceeding clearness; for they were based upon absolute knowledge and practical experience, and the doctrines contained in them, protectionists say, have never failed, when they have been given a fair and honorable test.

They are substantially as follows:

First. That the value of any product is made up almost entirely of the wages paid to produce it.

Second. That that is the best policy that brings to the laborer the best possible returns for his labor.

Third. That the average wages of labor in the United States are from two to four times greater than in European countries.

Fourth. That it would be extremely foolish to adopt any system that would reduce the wages of our laborers to the level of the European wages.

Fifth. That this whole theory of Walker was based upon two assumptions: first, that agriculture could do what he claimed for it; and second,

that (assuming the first assumption to be true), because it could do what he claimed, therefore it would do so; they also said that, with the whole country cleared and under cultivation, if the whole productive industry of the country were employed in producing the articles we sell abroad, which are mainly breadstuffs and provisions, cotton, rice and tobacco, we should produce a much larger quantity than we could sell; foreign markets would soon be glutted with these articles; the price of them would fall; the labor that produced them would, as a matter of course, receive less wages than now; the only stopping point in the decline of wages would be the starving point, and the inevitable result would be a forced equality of wages between this country and European countries.

Sixth. That a protective tariff is a necessity in this country to give variety to production, a home market, and high wages to labor.

1852.—THE DEMOCRATIC NATIONAL CONVENTION in 1852 reaffirmed its former doctrine respecting protection and free trade.

DEMOCRATIC RULE CONTINUED, but free trade prevailed; the Democrats remained in power, and its low tariff policy continued till 1857, though the usual evil results were greatly modified and postponed, as already stated, by a very unusual and accidental series of events, which occurred about as follows:

1.—THE MEXICAN WAR.—Very soon after the passage of the Tariff Act of 1846, war was declared by our government against Mexico. Our supply of arms and of the numerous munitions of war was very scanty, and new supplies had to be created, and paid for. This of itself put in circulation in the nation considerably more than \$100,000,000.

2.—FAMINE IN IRELAND.—Close upon the payment to our people of this great sum followed that well-known and terrible famine in Ireland, when so many thousands suffered and perished from starvation. This demand called for and obtained our entire surplus of flour, grain, potatoes and many other things, and left heavy payments of money therefor, which went largely to our agricultural population.

3.—CALIFORNIA GOLD.—1849 brought to our people the discovery of those amazingly rich deposits of gold in California, the output of gold averaging for ten years from 1849 not less than \$55,000,000 per year. Many ships were required to transport great numbers of men as well as large supplies of food for the gold-hunters; and for a time the California business increased the demand for labor and for our agricultural products.

4.—EUROPEAN REVOLUTIONS.—About the same time (1848-51) those violent revolutions broke out in many European countries, which most severely tested the regular authorities of those nations in putting down the revolutions, and almost completely paralyzed their agricultural and manufacturing industries.

These events caused an immense demand upon our country, particularly for our agricultural products; gave us increased prices for them, and brought large sums of money from those countries to pay for them; and, of course, this money was widely distributed, and tended to make the times apparently prosperous.

5.—THE CRIMEAN WAR.—Then right upon the heels of these revolutions followed the Crimean War between England, France and Italy on one side, and Russia on the other. This contest was long, fierce, bloody and exhausting. Europe was utterly unable to supply her own people, and those great armies beside; and a tremendous demand was again made upon us for our agricultural surplus at advanced prices, which demand continued for several years, and continued our apparent prosperity.

Another series of events like these has never been known in the world's history. So far as the Nation and the Tariff of 1846 were concerned they were pure accidents, and are never likely to occur again. But 1854 saw the close of these events, and of our apparent prosperity as well. As soon as these extrinsic and unusual demands ceased, we learned our true economical condition. Under the low tariff we could not compete successfully with foreign manufactures, and our own factories were closed; general business was prostrated; the foreign demand for our products fell off heavily, and our own home market was insufficient and constantly diminishing as our manufacturing industries were suspended or were closed.

1856.—DEMOCRACY AGAIN FOR FREE TRADE.—Yet, notwithstanding these evil results flowing from the Free Trade Tariff of 1846, the Democratic Party in National Convention assembled in 1856:

"Resolved, That the time has come for the people of the United States to declare themselves in favor of free seas, and progressive free trade throughout the world."

1857.—LOWER TARIFF AND DEEPER DEPRESSION.—In 1857, the Democrats, urged on by the South and by their natural tendency to free trade, as repeatedly shown in their national platforms, again reduced the duties already too low to the lowest rates we have ever had since the adoption of the Constitution; and again financial revolution, appalling in its wide-spread severity and distress, involved the nation and for more than four years tortured and impoverished our people, and exhausted our resources.

Both of these latter tariffs (1846 and 1857) were intended as tariffs for revenue only. Whether or not they were successful, the resulting revenues shall demonstrate.

From 1847 to 1857 the expenditures of the government exceeded its revenues by \$21,790,909, and the public debt increased in the same period \$13,149,629. Yet, notwithstanding these facts, the Act of 1857 kept in force the principles of that of 1846, and reduced the duties upon all articles that involved the doctrine of protection.

From this time to 1861, when a protective tariff was enacted by the Republicans, the public debt increased nearly \$46,000,000, and the expenditures exceeded the receipts by \$77,234,116 in the same time. So much for tariff for revenue only.

Hear what James Buchanan, the last Democratic President before the Rebellion of 1861, in his annual message said officially of that distressful free trade period: "With unsurpassed plenty in all the productions and all the elements of natural wealth, our manufacturers have suspended:

our public works are retarded ; our private enterprises of different kinds are abandoned ; and thousands of useful laborers are thrown out of employment and reduced to want. We have possessed all the elements of material wealth in rich abundance, and yet, notwithstanding all these advantages, our country, in its monetary interests, is in a deplorable condition."

SMALL REVENUES MAKE LOANS NECESSARY.—Buchanan, like Fillmore, not only depicts the complete failure of low tariff rates, but also proclaims the unutterable misery and ruin which invariably and inevitably follow such low duties. Why, under Buchanan and the Tariff of 1857 our revenues were so small that it became necessary to obtain loans to meet even the current expenses of the government ; and these loans could be had only by paying exorbitant rates of interest, running from eight to twelve per cent, so low were our national credit and resources.

1860.—THE DEMOCRATIC NATIONAL CONVENTION reaffirmed in 1860 the platform of 1856 in favor of "progressive free trade throughout the world."

CHAPTER VIII.

FOURTH PROTECTION PERIOD—1861 TO DATE (1891).

1861.—REPUBLICAN SUCCESS—PROTECTION.—But in 1861 the Republicans, for the first time, came into power in the nation, both in the Presidency and in Congress ; and with its advent came back the doctrine and practice of "protection to home industries ;" and, thank God, it came back to stay.

In 1861 they enacted a protective tariff, and from that time to the present "protection to home industries" (after subduing the Rebellion) has been the leading doctrine of the Republican Party and of the country, and has been the glory and salvation of the nation.

MAGNIFICENT RESULTS OF PROTECTION.—Under its benign influences we have experienced a degree of prosperity absolutely unparalleled in the history of any nation.

On account of the immensity of the work but few of the census returns for 1890 are ready, and it is impossible to show the full benefits and increase in all material growth. Except those marked with the year, the following figures relate to 1880.

Up to 1890 our population had increased in thirty years over one hundred per cent; our capital from \$16,000,000,000 to \$70,000,000,000—an actual gain of \$44,000,000,000, or at the average rate of about \$1,500,000,000 for thirty years in succession. Our foreign commerce up to 1884 was the astounding sum of over \$2,400,000,000, with the balance of trade in our favor at the average rate of \$154,000,000 a year since 1873 ; the population of our cities has doubled ; our annual output of coal has increased from 14,000,000 tons to 100,000,000 tons ; our iron ore from 900,000 to 14,500,000 tons (1890); our railway mileage from 30,000 miles to

163,400 miles (in 1888); our farms from 2,000,000 to over 5,000,000, and their value from \$6,000,000,000 to \$12,000,000,000; our cereals from 1,230,000,000 to 3,000,000,000 bushels (1890); our live stock from \$1,000,000,000 to \$2,500,000,000 (1890); our flocks from 22,000,000 to 50,600,000 (1884); our wool from 60,000,000 pounds to 308,000,000 (1884); those engaged in gainful occupations from 12,000,000 to 20,000,000 (1890); and deposits in savings banks* from \$253,200,000 to \$1,629,000,000 (1890). The census of Great Britain (1901) shows her national capital to be \$40,000,000,000—a sum less by \$4,000,000,000 than our gain in national capital since 1860, under protection.

We consume more than any other nation of similar numbers in the world. We are less than five per cent of the population of the earth; but we consume twenty per cent of all the sugar produced in the world; thirty per cent of all the coffee; thirty-three per cent of all the iron and steel; twenty-five per cent of all the cotton; thirty-three per cent of all the wool; forty per cent of all the coal; and fifty per cent of all the tin. Heretofore we have imported our tin and tin-plate, but now we shall produce the tin from our own mines and manufacture our own tin-plate.

From the few census returns of 1890 we find that our population has increased in the decade 1880 to 1890 about 13,000,000, a number equal to the population of Belgium, Holland and Portugal combined; we have redeemed from solitude 377,000 square miles of virgin soil, an area more than three times larger than that of Great Britain and Ireland; we have added 7,000,000 to our city population; we have increased our hay crop from 35,000,000 tons in 1880 to 47,000,000 in 1890; notwithstanding the set-back caused by the Tariff of 1883 our wool product has increased from 156,000,000 pounds in 1880 to 240,000,000 in 1890, about fifty-four per cent; the value of our cattle from 1,445,000,000 in 1880 to 2,500,000,000 in 1890, about seventy-three per cent; the annual increase of our farm animals from 96,000,000 in 1880 to 139,000,000 in 1890, about forty-five per cent. Do these figures indicate any great depression or suffering among our farmers?

Since 1880 the value of our manufactured products has increased \$3,300,000,000, a sum equal to our entire production in 1870; and the wages paid to labor in manufactures has increased \$50,000,000 a year in that time. These are but a few of the grand figures which in due time we shall glean from the census of 1890.

THIS SUCCESS DUE TO PROTECTION.—Protectionists say, and the facts seem to verify the statement, that all this magnificent and unparalleled success and prosperity which our nation has achieved and enjoyed since 1861 has been largely, if not wholly, due to our splendid system of protection to home industries, by means of which we have established the grandest and most valuable home market the world has even known, and which consumes from ninety-two to ninety-five per cent of all our productions of all kinds.

* See Appendix, Table IV.

But to accomplish these wonderful results patient and persistent effort and watchfulness have been required, and numerous obstacles and seemingly insurmountable barriers have been overcome and removed.

1861.—THE GREAT REBELLION.—In 1861 eleven of our Southern States seceded, and thereby inaugurated the greatest rebellion of all time, and set up for themselves as the Southern Confederacy. This was no sudden movement, but had been carefully planned and every means had been used, as they believed, to make the new government a success. Their two principal objects were openly and boldly proclaimed. These were to establish: first, a government whose corner stone should be slavery, and second, an economical system based upon free trade. Relative to free trade, their Constitution declared that "no bounty shall be granted from the treasury and no duties or taxes on importations from foreign nations shall be laid to promote or foster any branch of industry."

The leaders of this Rebellion were in control of our own government to the very date of secession; and they did not hesitate to adopt any means to make it a success. So determined were they to secure a government founded upon slavery and free trade that they robbed our treasury of its specie and sent it South; they dismantled our forts and stole our guns and ammunition; they scattered our navy to the ends of the earth; they instilled treason into and through most of our army and navy officers of Southern birth, and believed that they had so carefully demoralized the people of the Northern States that no successful resistance could be made to their rebellion. Such were the leaders of this gigantic rebellion, and nearly all the people of those eleven States trusted and followed them, blindly and implicitly.

For reasons just stated the Northern States at first were almost wholly unprepared to enter upon such a contest; but they quickly comprehended the situation, and as quickly resolved that the rebellion must be put down and crushed out, no matter what the cost of men or of money.

But to fight this terrible battle of freedom for four years, and finally to succeed, required from the Northern States the incredible number of 2,859,132 citizen soldiers and sailors, of whom nearly half a million were laid in Southern graves, and more than twice that number were crippled and maimed for life. The cost in money can never be accurately known, but soon after the close of the war our public debt amounted to \$2,844,649,626, nearly all of it the cost of the war then unpaid, an average expenditure of over one thousand lives, and \$2,000,000 a day, for four years in succession.

PATRIOTISM AND PROTECTION SUCCESSFUL.—But notwithstanding all this frightful cost of men and of money there was no hesitation on the part of the North (with some ignoble exceptions) till success crowned their efforts. The demand growing out of the war for food and sustenance gave a great impetus to agriculture; the imperative call of the army and navy for arms, cannon, clothing, etc., caused the establishment all over the North of a large number and variety of factories for the pro-

duction of these things ; and the necessity for quick transportation called for a vast number of horses, mules, wagons and railroad supplies and facilities.

All these things, without a high tariff, would have caused a temporary revival of business, but it would have disappeared with the close of the war. But our splendid Tariff of 1861, and the amendments thereto in connection with these things, gave our farmers and manufacturers an assurance of enduring prosperity after the close of the war ; provided employment for all who wanted it ; furnished us with an unequaled and remunerative home market, and made it possible for the country to carry on and close the war, and safe for our own people to undertake such expensive works without fear of ruinous competition from similar productions and manufactures in foreign lands. Indeed, it is now admitted by every intelligent person, except free traders, that without that high tariff we never could have raised the means to conquer the Rebellion ; and also, that we never could have established permanently those magnificent industries which have made us so strong, so wealthy and so prosperous. Is it strange that the free traders of the South and of England hate and condemn a protective tariff ?

THE HOME MARKET vs. THE MARKETS OF THE WORLD.—In a brief treatise like this, it is impossible to examine the tariff question in all its details, but our tariff history shows that there are a few points, upon which free traders lay great stress, which it may be well to briefly consider, at this time, and we will examine first the one suggested by the foregoing head line.

For fifty years the free trader has never tired of harping upon his dream or theory of "capturing the markets of the world." The means with which they would do this have varied with different periods.

In 1846, it was agriculture. Their great leader, Robert J. Walker, wanted this to be the general and principal business of our country, and said : "Remove from agriculture all our restrictions and by its own unfettered power, it will break down all foreign restrictions ; and, ours being removed, would feed the hungry and clothe the poor of our fellow men through all the densely peopled nations of the world."

The Democratic Party accepted this doctrine and in the Tariff of 1846, tried to reduce it to practice ; but instead of capturing the markets of the world, our exports of breadstuffs fell off from \$68,000,000 in 1847, to \$21,000,000 in 1851, and much less in 1852 ; the public debt increased many millions, and the expenditures of the government from 1847 to 1861 exceeded its receipts over \$77,000,000.

Our agriculture failing to give them the markets of the world, they were obliged to invent a new catch word.

FREE RAW MATERIALS.—For several years they have been crying for "free raw materials." "Give us free raw materials and surely we will capture the markets of the world."

They have, indeed, never been able to make it clear, what they mean by raw materials. They apparently forget that the moment labor has

been expended upon an article, that moment it ceases to be raw material, and becomes somebody's finished product.

Wool is the farmer's finished product, as soon as it is clipped from the sheep ; but it is then the cloth manufacturer's raw material. When he has woven it into cloth, it is his finished product; but it is then the tailor's raw material. What then are raw materials? They are materials just as we find them in nature, before any labor whatever, has been expended upon them—such as iron ore, or coal in the mountain, or standing trees in the forest.

Now the free trader wants all these, and similar articles, admitted here free of duty, and feels deeply aggrieved because they are subjected to a protective duty when brought here. He evidently thinks it would be better to get his wool from South America or Australia ; his coal from Nova Scotia ; his lead from Mexico ; his tin from Wales, etc., rather than, by the help of a protective tariff, develop these industries from our own native resources.

The protectionist believes the latter course much the better for our country, because it thereby develops our own resources gives remunerative wages to our own workmen, affords fair returns to our own capital, and keeps in our own country the money that would otherwise go abroad to pay for such materials and labors ; and also because it prevents the reduction of the wages of our own working people nearly or quite fifty per cent to the level of the cheap foreign labor.

But ignoring all these benefits, the free trader reiterates his plea : "Let us have free raw materials, and the cost of home-made goods will be so reduced that we can export largely and take the foreign markets."

We have not for years paid any duties on cottons, hides, paper stock, silk, and many other articles. Yet with these raw materials free we do not export of the manufactured goods in these lines, as much as we import, as the following table proves:

ARTICLES.	1887.	1887.
	MANUFACTURED IM- PORTS.	MANUFACTURED EX- PORTS.
Cottons.....	\$29,150,059	\$14,929,342
Hides	10,933,570	10,436,138
Paper Stock.....	1,985,264	1,118,538
Silk.....	31,264,276	52,518

FOR THE FREE TRADER TO EXPLAIN.—Now a very pertinent question arises at this point, and it demands a satisfactory answer from the free trader : "If your plea is true, why is it that, with free raw materials in these four important articles—and the list might be largely extended—our imports of articles manufactured therefrom, so greatly exceed our exports of the manufactured articles in the same lines?"

R. Q. MILLS' BRILLIANT ANSWER.—At a great Democratic mass meeting in New Haven in the campaign of 1888 Mr. R. Q. Mills, of Texas,

the great free trade leader, after making the familiar plea for raw materials, etc., was asked this very question by a respectable gentleman in the audience. Mr. Mills was evidently taken by surprise, but he answered it promptly by saying: "Go home, sir, and soak your head!" The wit and the lofty dignity of this answer were immense, and his audience cheered wildly. The protectionist need not discuss the politeness nor the pertinence of the answer, but he thinks that the facts warrant him in saying that it probably is as clear and intelligent an answer as any other free trader can formulate.

As already stated, cotton is a free raw material, and yet it is an undeniable fact that our exports of manufactured cotton goods is constantly falling off. In 1889 our exports in these goods was, in yards, 42,381,080 less than in 1888, and, in values, \$2,706,383 less.

In 1889 we manufactured of these goods not less than \$250,000,000 worth, fully the equal of English goods in this line. But protectionists have another and complete answer for our free trade friends. For many years whenever any article has been imported for manufacture and export Congress has allowed a drawback of ninety per cent of the duty paid on the import when the manufactured article was exported; and under the McKinley Act this drawback is increased to ninety-nine per cent of the tariff duty, which is giving them practically free raw materials. The free trader should explain why we cut so sorry a figure as an exporter of goods when we have the raw material free.

OUR HOME MARKET.—But though the free trader will not, or cannot, give a satisfactory explanation, there is one and a good one; and there is an answer to the question so brutally answered by Mr. Mills much more gentlemanly and conclusive than the one he gave.

The great and satisfactory reason why we do not export more of our American productions is that we have a home market more accessible and more profitable where we can readily dispose of about ninety-five per cent of all our agricultural and manufactured products.

DR. BENJAMIN FRANKLIN, one of our greatest statesmen in Revolutionary times, wrote: "Every manufacture encouraged in our own country makes a home market, and saves so much money to the country that must otherwise be exported. In England it is well known that whenever a manufactory is established which employs a number of hands it raises the value of the land in the neighboring country all around it, partly by the greater demand near at hand for the products of the land and partly by the increase of money drawn by the manufactures to that place. It seems, therefore, to the interest of all our farmers and owners of land to encourage home manufactures in preference to foreign ones imported from different countries."

This lucid statement of Dr. Franklin is the very essential element of American protection.

In a country like ours, possessing such a diversity of materials, and such an abundance of mechanical power, it should be, and is, the great object of a protective tariff to create and sustain a variety of manufactur-

ing industries. For whenever a manufacturing town or center is created we have established at the same time a center of consumption for agricultural products ; and the neighboring farmers are the first to profit by the enterprise, as shown by Dr. Franklin.

This law is infallible and allows of no exception.

Now if, instead of one, we have hundreds and thousands of these great centers of manufacture and consumption, as the fact is, it follows absolutely that the advantage to the neighboring farmer, and no less to the home manufacturer, is multiplied proportionally. Each of these classes becomes a helper and an assistant to the other. As a rule, each can sell at his own door to the other whatever he produces, and both are thereby saved the frequent losses and heavy expenses necessitated by long transportation. And thus, under the beneficent workings of a protective tariff, we have created a home market the like of which was never seen in any other country.

Our Commissioner of Agriculture reported in 1881 that the value of our annual agricultural and mechanical productions amounts to about \$15,000,000,000, and the Census of 1890 is showing a much larger aggregate than that of 1880.

The Custom House books show that of all this enormous aggregate we now export not over five per cent, while fully ninety-five per cent is consumed by our home market.

IMMENSITY OF OUR HOME TRADE.—Mr. Edward Atkinson, the eminent statistician and opponent of protection, in September (1890) *Bradstreet's* produced figures and tables which show that our American home trade amounts to \$50,000,000,000, and our foreign trade to only \$1,600,000,000, or less than three and one-half per cent of the amount of our home trade.

Here is another fact or two, to elucidate the immensity of our home trade : "The tonnage which passed through the Detroit River alone during the two hundred and thirty-four days of navigation in 1889, exceeded by 2,468,127 tons the entire British and foreign tonnage which entered and cleared at London and Liverpool that year in the foreign and coastwise trade. The freight carried on the railroads of the United States in 1890 exceeded by over 36,000,000 tons the aggregate carried on all the railroads of Great Britain, Germany, France and Russia, in 1889." (Windom.)

Is it not, then, the part of wisdom for America to develop, extend and protect our home markets, and let the foreign markets take care of themselves ?

THE "GOODS FOR GOODS" THEORY.—Another favorite, but very fallacious doctrine of our free trade friends has been that we ought to buy largely of manufactured foreign products, as we should thereby surely enlarge the foreign demand for our own productions ; in other words, if we would sell to them, we must buy from them.

Two or three facts will be more satisfactory and conclusive than pages of argument. The following table is taken from a report of a Royal Com-

mission to Parliament to show the annual sales by Great Britain and to her from 1880 to 1884 inclusive, in her trade with the leading nations of the world:

	ANNUALLY BOUGHT FROM GREAT BRITAIN.	ANNUALLY SOLD TO GREAT BRITAIN.	BALANCE AGAINST GREAT BRITAIN.
Russia.....	\$30,000,000	\$ 90,000,000	\$ 60,000,000
Germany.....	90,000,000	125,000,000	35,000,000
Holland.....	45,000,000	125,000,000	80,000,000
France.....	85,000,000	195,000,000	110,000,000
United States.....	140,000,000	485,000,000	345,000,000
China.....	25,000,000	55,000,000	30,000,000

Great Britain is par excellence the greatest manufacturing nation on the globe and manufactures her goods to sell, and pushes her wares into every possible market; but we see by the above table that the "goods for goods" doctrine worked against her to the enormous sum of \$660,000,000 per year, or \$3,300,000,000 in five years.

Remember, too, that this tremendous balance, not being paid in goods, had to be paid in money. How long can even a rich nation stand such an annual drain of money for imports?

Many other facts of similar figures and similar results between other nations could be given if we had the space, but if the above table is not convincing, no other would be.

And yet, as late as the second week in March, 1891, so eminent an authority among free traders as Professor Perry, in a speech before the Tariff Reform League, of Boston, argued that foreign trade is everything, and our home markets unworthy of consideration; and also held, that "a tariff that keeps out a dollar's worth of goods that we want to buy, keeps in a dollar's worth of goods that we want to sell,"—the old "goods for goods" theory. The *Boston Journal* met that statement with this crushing reply: "In 1865 we sold to Great Britain \$18,000,000 more than we bought from her. The next year we sold her \$85,000,000 more than we bought. With some fluctuations this discrepancy continued to increase till 1881 when we sold of our products to Great Britain \$306,000,000 more than she was able to sell us of her own. For the entire period since 1865, Great Britain's purchases of our products in excess of her sales to us of her products reached the enormous total of \$4,054,000,000. What becomes of Professor Perry's ("goods for goods") axiom, in view of these figures?"

"In 1890, the United States sold to British Australia goods to the value of \$11,266,484, but we bought therefrom goods to the value of only \$4,277,676. It is well known that we do not import any railway cars, and but very few carriages; but in seven months ending January 31, 1891, we exported American built carriages and railway cars amounting to \$3,128,668."—*N. Y. Press*.

In the annual report of the British Chamber of Commerce in Paris, published in 1891, some of the lessons for Englishmen to learn, relative to

French trade and the French tariff, are pointed out ; and among other things we find the following : "Of late years, there has been a steady decline in the value of English exports to France, the cause of this being attributed to French duties ; while French exports to England have progressively risen. It is estimated that the excess of exports in favor of France gives employment to 95,000 French workmen."

These "cold facts" positively contradict the free trade dogma that we cannot sell to other nations unless we buy from them. A fact is something that is ; a theory is a scheme, a speculation or hypothesis, which may be true or may be a delusion. Since free trade theory and actual facts, as set forth above, do not and cannot agree, which will the reader accept and believe ?

OUR RAILROAD FREIGHTS vs. THE IMPORTS OF THE WORLD.—From a carefully prepared article in the New York *Tribune* of November 6, 1890, I take the following : "The value of the freight carried on the railroads of the United States in 1889 was \$13,930,587,840, almost \$14,000,000,000, to say nothing of that carried by water and other means. More than ninety-two per cent of this was consumed in our home market."

Suppose we should open our "home market" to the world, and thereby capture the markets of the entire world, what would we gain? The aggregate value of the imports for 1888 of Great Britain, France, Germany, Russia, Austria, Spain, Belgium, Portugal, Italy, Turkey, Switzerland, Denmark, Norway and Sweden, Greece, Netherlands, Mexico, Bolivia, Brazil, Chili, China, Japan, Ecuador, Paraguay, Uruguay, Argentine, Venezuela, Peru, Guatemala, Corea, Hayti, Hawaii, Morocco and Nicaragua, was \$6,710,468,409. From this sum deduct our exports to those countries—\$660,000,000—and we have as the imports of the world, in all their own ports, the sum of \$6,050,468,409 ; or less than half the value of the freight carried on our own railroads. In other words, from the value of our railroad freights alone we could have supplied all the imports of the world except our own, and have had left about \$8,000,000,000.

THE HOME MARKET AND THE FARMER.—"The home market, created by increased manufactories, encouraged by a protective tariff, has changed the condition of the agriculturists of the country to their advantage and profit. This system has given to the farmers of this country, whether they grow cotton or corn, wheat or wool, the best domestic market anywhere offered ; has given to our people a diversity of employments, to our industries wider range, and to our labor better wages, than can be found elsewhere. Aside from the men who labor in shop or mine, no class of our citizens to-day are so deeply interested in the maintenance of a protective system as the farmers. They sell ninety-five per cent of all their products at home, and every mile of transportation saved is money earned. There is no portion of our people, except labor, which would be so seriously affected in income and profits, from the policy of free trade, as the farmers. The recent census shows the remarkable growth of agriculture in the last ten years under protection. In one department, that of truck-farming, the progress was almost phenomenal.

Upward of \$100,000,000 are invested in this industry, the annual products reaching a value of \$76,517,155 on the farms, after paying freights and commissions. There are employed in this industry 216,765 men, 9,254 women, and 14,874 children, aided by 75,866 horses and mules, and \$8,791,207 worth of implements. This vast industry could not be possible except with a home market. The products are perishable; would not stand long shipments; must be consumed when ripe, and are of little value except to home consumers. Nothing could be so disastrous to the American farmer as the surrender of the home market for the foreign. The value of every farm is increased by its nearness to a manufacturing center, which is a home consumer. The farmer wants more mouths to feed, more men who do not produce from the soil, but who earn money in the shop, and he wants them as near his field of production as he can get them. The closer you can bring the field of production to the field of consumption, the better it will be for the producer and the consumer; and that is exactly what, under protection, our home market is now doing. Ask the farmer whether he would rather have another farm or a factory beside him, and he will take the factory." (William McKinley.)

Prior to the passage of the McKinley Act there was no duty on eggs, and the importations from Canada and other countries were enormous, greatly to the injury of the American farmer. In April, 1890, we imported 450,000 dozen, valued at \$47,786, or 10.6 cents a dozen. In April, 1891, after six months of the McKinley Tariff, we imported about 25,000, valued at \$2,070, or 8.3 cents a dozen.* It will thus be seen that with a duty of 5 cents a dozen, the country paid 2.3 cents a dozen less than when they were free of duty, while the American farmer found a market for 425,000 dozens of eggs in one month, or 5,000,000 dozens a year more than he did under free trade in eggs. Should the farmer complain or be glad?

OTHER BENEFITS FROM THE HOME MARKET.—But this home market not only helps the farmer as stated, but it gives the manufacturer better profits, enables him to pay better wages to his workmen, and so stimulate them to higher efficiency. It also stimulates employer and employee to lively competition, which in turn leads to improved machinery and new inventions to lessen the cost of manufacture. Thus the home market, built up by protection, becomes a direct stimulus to genius and enterprise; benefits producer and consumer alike, and, indeed, is making us successful competitors in certain lines in many other markets.

Mr. H. E. Tremaine has aptly illustrated these facts in showing that fifty years ago we imported a locomotive from England as a sample. We have steadily protected our iron and steel industries for many years, and now we not only supply our own railroads, but we export locomotives to British America, Mexico, Nicaragua, Central America, Chili, Peru, Argentine Republic, Brazil, West Indies, Norway, Russia, Sandwich Islands and Australia. Over ninety-five per cent of the locomotives used in the English Colonies were built in the United States. We are competing in watches with the English and Swiss; and in textiles with Germany, England, France and Switzerland. Our progress in making American silk is

really marvelous, and is disturbing the silk works of Europe, for we are already producing over \$40,000,000 worth annually. Yes, it is the home market to which the American producer naturally turns at first, let his production be what it may; and it is unnecessary for him to seek the foreign market till he has fully supplied that at home, unless the foreign prices are so much higher as to make it advantageous for him to export the goods.

DOES IT COST MORE TO LIVE in the United States than it does in England? Our free trade friends are obliged to admit—though they do it with great reluctance, and never when they can avoid it—that the wages of American workmen are fully twice as much as are the English workmen's wages for the same kind of work. But they insist that this is a matter of no account, because, they say, the cost of living here is so much greater than in England as to nearly or quite equalize their wages.

If the reader will carefully scan the prices current of England and the United States for those articles used in respectable families he will be surprised but gratified to learn that one dollar will buy more tea, coffee, lamp-oil, flour, meat, butter, bread, sugar, potatoes and soap in the United States than it will in England; and as much sheeting, shirting, calico, boots and shoes here as there. A pair of boots here worth \$3 can be paid for by one day's work; in England they also cost \$3, but the Englishman gets but half as much wages and must work two days for his boots. It is a well known fact that a large proportion of the flour, beef, pork, bacon, cheese, etc., used in England is imported from the United States. Is it possible that Englishmen can come here and buy these things, pay the freight and other expenses of transportation to England and then sell them at lower prices than we can buy them at home? To ask such a question is to answer it.

The comments of the *Inter-Ocean* upon the foregoing facts are pertinent and worth repeating: "Our free trade friends are invited to answer these statements of fact. They are not requested to say that 'the best thought of the country tends toward free trade,' or that 'all the scholarship and argument are on the side of free trade.' They are requested to explain to the workmen of America why they should desire a free trade policy so long as a protectionist policy is enabling them to buy more tea, coffee, lamp oil, flour, meat, butter, bread, sugar, potatoes and soap, and as much of sheeting, shirting, calico, boots, shoes and clothing with one day's wages in America as can be bought with two days' wages in England, the country which has made the largest and most successful experiment in free trade." This reasonable request has been before them for a year, but no free trader has yet answered it, and he never will.

Mulhall, page 288, shows that the total living expenses, including food, clothing, rent, taxes and sundries, average in Great Britain and Ireland 41.1 cents per day, while in the United States the same daily living expenses are only 31.4 cents, or one-third greater in Great Britain than in the United States.

PROTECTION HELPS THE WORKINGMAN, as will be seen by the following comparison of average annual wages, connected, too, with the most highly protected industries:

	1860.	1880.	PER CENT INCREASE.
Woolen and Worsted Goods.....	\$284	\$300	28
Glass.....	330	375	15
Iron and Steel.....	355	390	10
Cotton.....	200	246	23
Machinery.....	390	450	15
Jewelry.....	435	500	15
Saddlery and Harness.....	350	380	9

Even so zealous a free trader as Mr. Edward Atkinson, the eminent statistician, admits that the condition of workmen in this country has been greatly improved since 1860; for in a recent report by him to the Bureau of Statistics he shows that the average annual wages of all mechanics in the United States have advanced from \$468 in 1860 to \$720 in 1880, an increase of \$252, or 54 per cent; and he also shows that the greater cheapness of things necessary for ordinary family support virtually makes that increase of wages from 26 to 46 per cent more.

In other words, he shows that the things which the worker could buy in 1860 for his average wages of \$468 he can now buy for about \$348, a saving of \$138. Adding \$252, his actual average gain in wages, to \$138, his saving in the cost of family supplies, and we have a net average gain to all our mechanics of \$390 a year. These figures, coming from so eminent authority, must be regarded as true; and they furnish incontestible proof of the statement that protection helps the workingman.

Let us now resume our tariff history in chronological order.

1867.—HIGHER TARIFF ON WOOL—RESULTS.—One of the most important amendments to the Tariff of 1861 was adopted March, 1867, when the tariff duties on wool were raised to 10 and 12 cents per pound, and 10 and 11 per cent ad valorem according to quality. Up to this time the duty on wool had been so low that there was no inducement to American farmers to make a specialty of this business. From 1850 to 1860 under the low Tariffs of 1846 and 1857 the increase in the number of our sheep was only 31·2 per cent; but between 1860 and 1870, with only three years of high tariff, our sheep increased from 22,500,000 to 28,500,000, or 27 per cent, and between 1870 and 1880 from 28,500,000 to almost 41,000,000, or about 44 per cent, and in 1884 our sheep numbered 54,626,626. In 1860 we raised 60,264,918 pounds of wool; in 1884, 308,000,000 pounds, an increase of over 500 per cent, and during the same period under the stimulus of this high tariff farmers so improved their sheep that the average weight of fleeces rose from 21·2 and 31·2 pounds in 1860 to 5 and 51·2 pounds in 1884. In 1884 about one-twelfth of our male population was connected more or less of their time with the wool industry; and our sheep farmers at the same time were producing profitably for the nation and for themselves an enormous and increasing quantity of

excellent mutton. Why this magnificent and profitable industry did not go on increasing in numbers, in quantity and in profits will appear a little further on.

1868.—DEMOCRACY AND THE TARIFF.—In 1868, the Democratic National Convention resolved in favor of “a tariff for revenue only, with incidental protection”—whatever that is.

1870.—HIGH TARIFF ON STEEL RAILS, ETC.—Prior to 1870, the tariff duty on steel rails was so low, and the wages of American laborers in that business were so high in comparison with English laborers, that it was impossible to compete with the British iron masters in that business. But in 1870, Congress laid a duty of \$28 a ton on steel rails and ingots ; and the results have been even more wonderful than in the wool industry. In 1870, only 30,000 tons of steel rails were made in this country, but in 1888 we manufactured 1,386,277 tons of steel rails ; and from 1877 to 1890, inclusive, we made 16,763,116 tons of steel rails, enough to build over 100,000 miles of railway ; and over 20,000,000 tons of steel ingots for other industrial purposes. The average cost of this 36,800,000 tons of steel was about \$50 per ton, amounting to the enormous sum of \$1,840,000,000. Suppose we allow \$340,000,000, or about twenty per cent as profits to the manufacturers, a profit probably much larger than the actual profit, we shall have left a balance of \$1,500,000,000 to the credit of the laboring men, who converted that great mountain of iron-ore into first-class steel. Who can say that, in this instance at least, protection has not been a benefit to the laborers of this country ? Fifteen hundred millions of dollars divided among the laborers engaged in a single industry in twelve years ! Were these workingmen growing poorer under protection ? Again suppose the American Congress had followed the advice of our free trade friends and not put on that duty of \$28 per ton, nor any other protection duty. Of course, we should have been obliged to import from England all that enormous quantity of steel. The free trader asks : “What difference would this plan have made with our workingmen, our capitalists, and our country ?”

This : The British workingmen would have received \$1,500,000,000, or its English equivalent for that labor, instead of the American ; the British capitalists would have pocketed that \$340,000,000 of profits, or its English equivalent, instead of the American ; and Great Britain would be hugely enjoying that \$1,840,000,000, or its English equivalent, instead of the United States. True, we would have had our rails and our ingots ; but the resulting benefits to our nation would have been as follows : On the one hand, free trade, plus the steel, but minus \$340,000,000 of profits, and minus \$1,500,000,000 of wages ; and, on the other, protection, plus the steel, and plus \$340,000,000 of profits, and plus \$1,500,000,000 of wages.

OTHER BENEFITS.—But this is not all the benefit we have received through this high tariff on steel. “In 1870, the price of steel rails was \$106.75 per ton, but from that date, by means of competition and improved machinery, the price has gradually decreased till it has reached

\$28 per ton, and even less ; and the duty has been reduced to \$17 per ton ; while the average wages of the men employed have increased ten per cent. As stated above, we made in 1888 1,386,277 tons of steel rails, and used them at home, while of foreign steel rails we imported and used but 63,000 tons of foreign rails ; but in 1890, we made, and our home market consumed, 1,867,837 tons, a gain of 481,560 tons of steel rails in two years, while our importation of foreign rails fell off to 204 tons."—*New York Press*, May 4, 1891.

Who can estimate the value of the home market which this mighty industry has created for our agricultural and manufactured products to supply those laborers and their families with food and clothing and the other necessities and comforts of life ?

1873.—FINANCIAL PANIC—RESUMPTION.—In the introduction it is stated that "all the hard times suffered by the American people (since 1783) have been preceded by heavy reductions of duties, or by insufficient protection." In view of the panic of 1873, and the financial depression that followed for several years during a period of high protective tariff, this statement has been somewhat sharply criticized. And this criticism would be just and difficult to answer, if it could not be clearly and honestly shown that the country at large did not suffer from this depression and that there was no possible connection between the tariff and the panic of 1873. Reference has already been made to the Great Rebellion of 1861, and it was shown that it compelled us to withdraw nearly 3,000,000 of citizens from all industrial and productive work, to engage in war and destruction ; that over half a million of these men were killed ; that over a million more were so crippled and disabled that instead of becoming productive citizens after the war, they were and are cared for and supported largely by the country ; that during that dreadful period the value of the property expended and destroyed, and of the manufactures stopped and prevented, exceeded the sum of \$9,000,000,000 ; that besides all this almost incomprehensible loss, we were left with a public debt of over \$2,800,000,000, the interest on which at first was over \$150,000,000 a year. Of course, in such a frightful expenditure of money and means, the gold and silver of the country were but as a drop in the bucket.

The \$55,000,000 of gold we were yearly receiving from the gold mines of California, amounted to nothing in the matter of payments, except to help pay interest on our bonds held in Europe, but it saved us from becoming absolutely depleted of specie. We had practically no coin, but depended for money upon a paper currency, based upon the credit, or promise to pay, of the government. Every time there was an adverse movement, or the loss of a battle on the part of the North, the price of gold went up, and at one time it went to 280 per cent, and our currency and credits were in like degree expanded. The temptation to speculation was general, and became almost a mania. The real value in gold of the nominal dollar was but fifty cents or less. It was a terribly dangerous condition, and one that could not be long maintained.

SPECIE PAYMENTS DEMANDED.—The thinking men of the country, the great party that had saved the nation from death through rebellion, began to feel and to say that we must get back to specie payments, to real money, though they knew that to do this would involve great individual loss and sacrifice. They admitted that it would be a severe ordeal, but they said it was a matter of simple honesty, as well as necessity, and that the longer it was delayed, the greater would be the danger and the suffering. The speculators tried to withstand and postpone this movement; and then followed Black Friday and the Panic of 1873. This was inevitable—such dangerous expansions of currency and of credits are always followed by financial trouble. But, in this case, the people were firm, and in 1879 we resumed specie payments. There was, indeed, more or less of suffering, but it was confined mostly to individuals, largely to speculators. This suffering was caused by the unavoidable shrinkage which must occur whenever expanded currency and credits return to a normal and honest basis; and there was no possible connection between this panic and the tariff. On the contrary, the tariff greatly mitigated individual distress, and assured successful progress to the nation. The country as a whole was never more prosperous. Our grand protective tariff gave us a magnificent income; furnished the means to pay our current expenses; helped us to greatly reduce our national debt; afforded encouragement to many valuable industries; provided work at highly remunerative wages to large numbers of our laborers, and thus added hundreds of millions of dollars to our national capital. Our national valuation increased from \$30,000,000,000 in 1870, to 44,000,000,000, in 1880; a growth which all our national experience has proven, never could have been attained without protection.

“And strongest of all points, this financial distress was relieved and prosperity restored under protection, whereas the ruinous effects of panics under free trade have never been removed except by a resort to protection.” (Blaine).

1876. DEMOCRATS AGAINST PROTECTION AGAIN.—In 1876, the Democratic National Convention declared “that we demand that all custom house taxation shall be only for revenue;” and in 1880 they resolved in favor of “a tariff for revenue only.”

1883. DUTY ON WOOL REDUCED.—The marvelous increase in the number of sheep, and in the quantity of wool, under the Tariff Amendment of 1867 up to 1883 and 1884, has been shown a few pages back.

Had the tariff duty been allowed to remain as it was during that period, there is no doubt that the same or a greater rate of increase would have continued. In 1883, both houses of Congress and the President were Republican, and it was thought best to revise the Tariff of 1861, when it could be done by the friends of protection. But by this time the old free trade Democracy of the South, and of slavery, had again asserted itself, and taken full possession of all the Southern States. Those States had become and still remain the “Solid South.” Then as now, their leading men were and are always united to fight for free trade and against protec-

tion. In 1883, backed by their servile followers from the North, they demanded a reduction of duties on many articles and especially on wool. Their clamor was loud, brazen and unceasing, and unfortunately a few week-kneed Republicans were found in each House who foolishly yielded to that clamor and voted for a considerable reduction of the duty on wool. The entire protective features of the Act of 1867, relating to wool, were repealed; and it was a sad day for the sheep and wool industry of the United States when the Act of 1883 became a law. The amended tariff of 1883 was on the whole an improvement, but there were a few exceedingly unfortunate amendments, and among these the worst were those relating to wool and woollens.

RESULTS FROM REDUCED DUTIES.—The unfailing and inevitable results began at once; though the law was passed so late in 1883 as not to affect greatly the results of 1884, which were the greatest and best under the Act of 1867. But in the following years the results were disastrous in the extreme. In three years including 1887, our sheep had decreased over 5,800,000, when on the rate of increase from 1867 to 1884, there should have been increase of 6,000,000 equivalent to a loss of about 12,000,000 sheep to the country, and worth not less than \$30,000,000. In 1888, the number had declined from 54,500,000 in 1884 to 42,600,000, a loss of 12,000,000. But in the election of 1888 the protectionists won a decisive victory, and in two years time with a sure prospect of a restoration of the higher tariff on wools, the number of sheep increased from 42,600,000 in 1888, to 46,353,000 in 1890. In the same period, 1884-1887, the quantity of American wool decreased 79,300,000 pounds, worth \$23,790,000. The raising of wool became unprofitable, as our people, without protection, could not compete successfully with the cheaply raised wools of South America and Australia. American wools were neglected and declined in price; American woolen mills had to shut down, while English mills were running night and day to supply us with woolen goods; and English manufacturers were piling up their vast profits at our expense.

In 1884, the great and ruinous mistake of so reducing tariff rates on wool, as has been done in 1883, had become very clear; and in April, 1884, a motion was made in the House to restore the old rates of 1867. Petitions had come in in great numbers from all the wool producing states; for such a restoration; and in Ohio the Democratic Party adopted a plank demanding of this Congress the former protective rates. But the House was strongly Democratic, and after a vigorous effort on the part of the Republicans, the Democrats, true to their free trade proclivities, refused to restore the rates of 1867; and the disastrous results, already pointed out, speedily followed.

1884. THE MORRISON BILL.—In 1884, the Democrats had again obtained control of the House, and under the lead of Mr. Morrison, of Illinois, made a persistent and determined effort to pass a bill, making a horizontal reduction, as it was called, of about twenty per cent on nearly all duties alike. On reaching a vote, it failed to pass by four votes and great was the sorrow and lamentation among free traders here and in England.

The *Telegraph*, a leading paper of London, regretting the failure of the Morrison Bill, said: "A Bill to establish in America what the English call free trade, had just been defeated by the narrow majority of four. That measure was of enormous importance for English manufacturers, as it would have enabled them to export goods to the United States without the crushing duty now imposed. The fate of the Bill was watched with intense interest by Englishmen. Had it passed, it would have been worth \$500,000,000 per annum to British manufacturers."

The *Telegraph* is frank and refreshing! Notice the amount, \$500,000,000 per annum! Notice also the ones to receive this vast yearly sum! Not American consumers, but British manufacturers.

Of course they would watch the fate of such a bill with intense interest, with such a great sum at stake; but how any citizen of this country can consider himself a real patriot, a true American, and support such a policy, is incomprehensible.

1884.—THE DEMOCRATS STILL FAVOR FREE TRADE.—In 1884 the Democratic National Convention still adhering to its cherished free trade convictions declared as follows: "We demand that Federal taxation shall be exclusively for public purposes."

ALL REPUBLICAN PRESIDENTS PROTECTIONISTS.—In previous pages it has been shown that every President from Washington to Buchanan, except Polk, and possibly Van Buren and Pierce, were in favor of protection to home industries, and their statements have been quoted in proof thereof. As protection has always been a cardinal doctrine in Republican platforms and policy, so all Republican Presidents have been firm defenders of protection; and Lincoln, Johnson, Grant, Hayes, Garfield, Arthur and Harrison take equal rank as protectionists with Washington and all our earlier Presidents, and it is not necessary, at this time, to quote their remarks, as no one questions their fealty to protection.

1887.—PRESIDENT CLEVELAND'S FREE TRADE MESSAGE.—But in 1884, by means of a series of most unusual and remarkable accidents, Grover Cleveland, Democrat, secured the electoral vote of New York State by about 1,000 plurality, and was thereby elected President—the first Democratic President in twenty-four years. He had very little to say about the tariff in that campaign, but his party insisted upon a tariff "for public purposes exclusively;" which was simply another phrase for English free trade.

One of Mr. Cleveland's strongest workers in 1884, one who said that he did not then love Democracy, but who, before the campaign had gone far, supported both it and him because of their adhesion to free trade, described that party in June, 1884, thus: "The Democratic Party—very hungry, and, as you may well believe, very thirsty—a party without a single definite principle; a party without any distinct National policy which it dares to present to the country; a party which fell from power as a conspiracy against human rights, and now attempts to sneak back to power as a conspiracy for plunder and for spoils." (G. W. Curtis.)

But if the party was so utterly bankrupt in principles and had no

policy which it "dared to present to the country," Mr. Cleveland, after three years, had evolved one, and announced himself to an astonished world as a modern political Columbus, who had discovered a new world in political economy. Beyond question, it was new to him. He named it "Tariff Reform," but its real name was "Free Trade." This marvellous discovery was made the sole topic of his third annual message, in December, 1887. It was long and very elaborate, but can readily be condensed into a few propositions and fairly stated and answered about as follows :

CLEVELAND'S FIRST PROPOSITION.—That our Tariff Laws in 1887 were "the vicious, inequitable, and illogical source of unnecessary taxation."

ANSWER.—Protectionists replied that this proposition was clearly disproven and shown to be an assumption by the "cold facts" and census statistics which extended to 1890 are set forth on previous pages of this work ; and that by these facts and statistics are demonstrated a regular and steadily increasing thrift and prosperity for thirty years in succession, in all the material, benevolent and educational affairs of the nation, absolutely unknown in previous history ; that steady prosperity, such as we have enjoyed for thirty years, was never known in any nation under a system of laws unvaryingly "vicious, inequitable and illogical ;" and that no nation, worthy to be called a nation—least of all, a nation so intelligent, so self-respecting, so sensitive of its individual rights as our own—ever did or would rest quietly for a third of a century under a system of laws which could be fairly and justly characterized as were our tariff laws by President Cleveland in 1887. In short, that this proposition was disproven by all the previous experience of mankind, as well as by all the material and established facts of our own history.

CLEVELAND'S SECOND PROPOSITION.—That the tariff is "a tax that raises the price to consumers of all articles imported by the amount of the duty."

ANSWER.—In 1870 the price of steel rails in England was \$107 per ton ; and Congress placed a duty of \$28 a ton on imported rails. Will any free trader kindly produce a single instance, since 1871, in which the consumer has paid \$107 plus \$28 equal \$135 for a ton of steel rails ? This should be so, if his theory be true. On the contrary, under protection, their price has declined to \$30 per ton, or even less.

STEEL WIRE NAILS.—In 1882 our manufacture of steel nails was too small to be mentioned. At that time the duty was 1 cent a pound, and the price of steel nails was 8 1-3 cents a pound. They were imported, as our steel nail-makers could not compete with English cheap labor with the duty at 1 cent a pound. But in 1883 the duty on steel nails was raised to 4 cents a pound, and behold the results. According to Mr. Cleveland, the price then should have been 8 1-3 plus 3, the increase in duty, equal to 11 1-3 cents a pound ; but in 1885, under two years of protective tariff, we produced 200,000 kegs of steel nails, and in 1890, 3,900,000 kegs ; and the prices have declined from 8 1-3 cents in 1882 to less than 2 cents (1.95) in 1891. In other words, instead of increasing the price "by the amount of the duty," to wit : 3 cents a pound, the prices have declined

about 6 1-2 cents (6.38) ; or nearly 3 1-2 cents a pound more than the increase in duty. Which will the reader accept—the free trade theory, or this grand and helpful American fact ?

SODA ASH.—Prior to 1884 no soda ash was made in this country, though we used 175,000 tons a year. In 1883 Congress placed on it a duty of \$5 a ton. The price prior to that time was \$48 per ton. Has the consumer been paying \$53 a ton since 1883 ? If the free trade doctrine is true this should be so, as that sum would be the cost plus the duty.

But the fact is that instead of costing more because of the duty the American consumers have actually been paying but \$28 a ton for it, and thereby have saved \$3,500,000 a year by means of that duty. Was that tariff duty a tax ? Besides this great saving, see how it has helped collateral industries ; for in making that soda ash at home we consumed annually 70,000 tons of coal, 100,000 tons of limestone, 10,000 tons of coke and 100,000 tons of salt where not a pound of either was used before, and pay \$800,000 a year in wages and \$152,000 a year in freights. The protectionist asks again: “ Has that duty been a tax upon either the consumer or the country ? ”

STATEMENTS OF ENGLISH MANUFACTURERS.—A leading manufacturer of Bradford, England, said to Commissioner R. P. Porter not long since: “ The least possible reduction in the American tariff will be a grand thing for Bradford. We are selling our goods for the same prices as we did before the higher tariff was enacted ; and, as I know, the Bradford manufacturer is paying the duty, not the American consumer.”

And another added; “ If the duties came out of the American consumer the English manufacturer would not care a button about the American tariff laws.”

AMERICAN STATEMENTS.—The *Commercial Bulletin*, a leading newspaper of Boston on February, 1891, remarked that “ one of the heaviest importers of woollens in Boston stated that as soon as his present contract with foreign manufacturers expires he has been promised a reduction in prices to meet the advanced rates of duty now applicable to the merchandise of his importation.” And the *New York Mail and Express* of March 2, 1891, said that English manufacturers of tin-plate had agreed to reduce the price of their tin-plate by the amount of the McKinley Act. How can these things be if the tariff is an added tax and is paid by the consumer ?

LUMBER.—The United States produces lumber sufficient to supply the home demand, and we export it to the value of \$28,000,000. Under such circumstances how can Canada get her lumber into our market unless she sells it at our price ? Impossible. But to do this she will have to pay duty thereon herself.

Sir John McDonald, late Prime Minister of Canada, has lately (October, 1889) said that the Canadians know to their cost that this second proposition of Mr. Cleveland is not true, and that the only way they can get their productions into our markets is to pay the duty themselves.

This free trade theory may be beautiful, but, as a rule, it is not in

accordance with the facts, for under a protective tariff it is the rule for the importer to pay the duty, though there are some exceptions.

HOW PROTECTION IS APPLIED.—Briefly stated, this is the rule: On all imported articles which we do not and cannot produce here, such as tea, coffee, etc., and on those things regarded simply as luxuries and used only by the rich, the duty, if any, is added to the cost, and of course paid by the consumer. This is the English or free trade tariff. But on imported productions, the like of which we produce here, the duties, after the business is established, are paid principally by the foreign producers who send them here and not by the consumer. As Sir John McDonald says: "It is the only way they can get their productions into our markets." This last class of foreign productions constitutes the great bulk of our importations. It should be added that, except luxuries, nearly all articles embraced in the first class, such as tea, coffee, sugar, etc., are admitted free of duty. So that the only instance in which the tariff is a tax and is paid by the consumer is a Democratic free trade tariff or one for revenue only.

CLEVELAND'S THIRD PROPOSITION.—That on account of this tariff tax, the prices of all similar articles produced in this country, are "nearly or quite the same enhanced price, which the duty adds to the imported articles."

ANSWER.—The tariff duty on imported Calico is 100 per cent., the English price is from 5 to 7 cents per yard. If the free trade theory is correct, the price of American calico of same quality should be from 10 to 14 cents per yard; but as a matter of fact it is only 5 to 7 cents per yard, sometimes less.

AMERICAN STEEL RAILS.—In 1883, Mr. Randall, of Pennsylvania, in Congress showed that the actual cost of a ton of American steel rails manufactured in this country was \$30.03. The tariff at that time was \$17 per ton. If Mr. Cleveland's doctrine is true, American steel rails should then have cost the consumer \$47 which was the cost plus the duty. As a matter of fact, American steel rails were then selling for \$35 per ton in our markets; and even less, if sold in large quantities. Facts are dreadfully disagreeable things—to the free trader.

BLANKETS.—About the date of Mr. Cleveland's Message the cost of certain five pound English blankets was \$4.45. The duty and custom house fees were \$4.90, making their cost in the American market \$9.35. According to Mr. Cleveland's theory American blankets should have been of the same price; but as a matter of fact, American blankets of precisely the same weight and quality cost in our market \$5.20. The difference between theory and fact on a single pair of blanket was \$3.85 in favor of an American fact.

LINSEED OIL.—In October, 1890, and for several months prior thereto, linseed oil was quoted at 62 cents per gallon. On October 6, 1890, the McKinley tariff increased the duty on linseed oil from 25 to 32 cents per gallon, or 7 cents per gallon. The free trader insists that "the tariff is a tax which is added to the price;" and according to this theory, the price then should have gone to 62 plus 7 equal 69 cents per gallon.

But as a matter of fact, nine months after the passage of the McKinley Bill, linseed oil had not increased in price to 69 cents (the old price plus the increase of duty) but was selling in open market at 47 cents a gallon, a decrease in price of 15 cents per gallon. The difference between theory (69 cents) and fact (47 cents) is 22 cents per gallon.

THE FREE TRADER WONT BE CONVINCED.—Pages might be filled with other illustrations; but those already stated, completely disprove Mr. Cleveland's theory; but as shown by his letters and speeches in 1889 and 1891, like all genuine free traders he still clings to it, notwithstanding the truth, that the facts are all against him; apparently believing that if this be so, then "it is so much the worse for the facts."

In this, he and other free traders differ from Prof. Agassiz. Senator Frye, of Maine, who is a great trout fisher says: "I once called on Prof. Agassiz who was a great authority on fish, and asked him to go with me to Rangely Lakes to fish for trout. As an inducement I told him of the splendid speckled trout there, weighing from ten to fourteen pounds each. When I said this, the Professor gave me a pitiful smile and said: 'I have just completed a treatise, in which I have demonstrated that it is impossible for a speckled trout to weigh over four pounds.' I knew better, but knew that I could not convince him by argument. So I went on to Rangely, and next day caught two speckled beauties one of which weighed ten and the other twelve pounds. I packed them in ice, and sent them by express to Prof. Agassiz. By return mail, I received from him a letter, saying: 'My Dear Senator, the theory of a lifetime has been kicked to death by a single fact.'"

Would that free traders could be convinced by facts, and that they would as readily admit their error, when convinced.

CLEVELAND'S FOURTH PROPOSITION.—That the tariff rates on wool should be still further reduced.

ANSWER.—The all-sufficient refutation of this proposition will be found on previous pages, under the headings "1867.—High Tariff on Wool—Results" and "1883.—Duty on Wool Reduced," to which the reader is respectfully and earnestly referred.

CLEVELAND'S FIFTH PROPOSITION.—That "tariff reform" (meaning really "free trade") is the grand panacea for all present and prospective financial troubles.

ANSWER.—This last proposition is not stated in the message in the terms set forth above; but it is there, and, by reading between the lines, can be seen everywhere.

The absolute and overwhelming answer to it are the "historical facts," set forth in this little book, which prove conclusively the invariable rule that protection means prosperity while free trade means adversity.

EFFECT OF CLEVELAND'S MESSAGE.—Within thirty-six hours after these propositions were promulgated by Mr. Cleveland in that message they were clearly shown by Mr. Blaine, then in Paris, and by others to be a series of assumptions based mostly upon fallacies, and unsup-

ported by any material or tangible facts. Those who were familiar with our tariff history, especially under free trade, found in this message a new and splendid illustration of Mr. Kelly's definition, to-wit : "Free trade is the science of assumption;" while the intelligent but irreverent, after reading it, declared with Josh Billings : "It is a great deal better not to know so many things than to know so many things that ain't so." The national election of 1888 showed that the American people applied the definition of Mr. Kelly and the remark of Mr. Billings to Mr. Cleveland and his famous free trade message, and that they preferred a Congress and a President who cared more for the well known and solid facts of protection than for the pleasing but fanciful theories of free trade.

This message was a great surprise to the business centers ; and followed as it was by the Mills Bill—a bill admitted to be in the interest of free trade—it caused great anxiety among mill-owners, merchants and manufacturers and led to a great depression in many kinds of business. Especially was this true of the wool, woolen and lumber industries ; and, of course, prices fell off discouragingly. It thus appears that not only low tariff, but even a threat of low tariff, will produce disastrous results in the business world.

EFFECT OF THE MESSAGE ON WOOL ILLUSTRATED.—A single fact stated to me in September, 1888, by a Mr. Libby, a prominent dealer in wool, sheep and cattle in the State of Maine, will illustrate the evil effects of that message and the Mills Bill. Said he : "On the first of December, 1887, my firm had \$60,000 worth of wool stored in Boston. We were then negotiating with a woolen manufacturing company there for the purchase of our wool, and had come within one-half a cent a pound of an agreement, but neither of us would yield the half cent and I returned to Maine. On my way I bought an evening paper and found therein President Cleveland's free trade message. I read it with great interest, but when I reached his demand that wool duties should be so greatly reduced I knew who would have to yield the half cent. At the next station I telegraphed the Boston company as follows : 'Gentlemen, I have been considering the matter of our negotiations and have decided to yield the half cent. I accept your offer. Please answer.' When I reached my home station I found their answering telegram : 'Mr. Libby, we, too, have read the President's message.' That was all—a single line, but it was volumes to me. I soon returned to Boston and saw my parties, but their first offer was \$1,000 less than the day before Mr. Cleveland's message appeared. That offer I refused ; but after sounding the market I went back next morning to accept their last offer. I was then told that they had decided to make their offer \$2,000 less than that of the day before. This I unwisely refused and went home to await results. But when the Mills Bill was reported I went again to Boston determined to accept the first offer I could get ; and, to make a short story of it, I sold that wool for just \$6,000 in hard cash less than the offer of December 1st. And this, too, when the bill was only reported. So much for me. Now see how it came home to our farmers. We had been paying twenty-seven

to thirty cents a pound for our wool, and there was no reason except this free trade policy why prices should not have been the same in 1888 ; but as a legitimate result of that policy the price of wool in 1888 has been but twenty cents a pound, a net loss to all wool growers of seven to ten dollars on every hundred pounds of wool they had to sell."

1888.—MILLS' FREE TRADE BILL.—Immediately after the delivery of Mr. Cleveland's celebrated message the House of Representatives, heavily Democratic, organized with Mr. Carlisle as Speaker, and he in due time appointed his Committee of Ways and Means. Mr. Mills, of Texas, was made Chairman, and the majority of the committee were from States that have comparatively little interest in manufactures.

In discussing the tariff in a previous Congress Mr. Mills had said : "Our policy should be to take the smallest amount of taxes that we can by customs ; and we should gradually decrease the amount until our customs taxes come alone from non-competing articles entering our Customs Houses." This is precisely the English free trade system, and Mr. Mills was a proper person to lead in formulating a free trade bill.

The meetings of the committee were held in secret session mostly, and they came to be known as "The Dark Lantern Committee." The suggestions and motions of the minority (Republican) members were wholly ignored, as were those of all other persons who favored protection.

On April 2, 1888, Mr. Mills reported his notorious bill "in response to the recommendations of Mr. Cleveland," as he says. It was a long step in the direction of free trade. It was so intended by the committee, and was so understood by the people of the country.

Especially was this true of

THE DEMOCRATIC PARTY IN 1888, which, in its National Convention held in June, unanimously "endorsed the views expressed by President Cleveland in his last annual message (1887) as the correct interpretation of the platform upon the question of tariff reduction. . . . That this convention hereby endorses and recommends the early passage of the bill for the reduction of the revenue now pending in the House of Representatives." (The Mills Bill.)

THE MILLS BILL PASSED BY THE HOUSE.—The discussion upon the Mills bill was long and earnest ; every step on the part of the free traders was hotly disputed by Republicans ; and every free trade argument was fearlessly met and answered by them.

However, the bill passed the House, 162 ayes to 149 noes, and was sent to the Senate ; but as the Senate was Republican, the bill soon slept the sleep of death, and in November the nation set the seal of its approval upon this action of the Senate by electing a majority of Republican protectionists to the succeeding House of Representatives, and also a Republican President.

And thus it came to pass that the Republicans and protectionists held both Houses of Congress and the Presidency, and were in a position to revise and amend the tariff in the interests of protection and by its proven friends.

1890.—THE McKINLEY TARIFF.—In the election of 1888 nothing was more definitely settled than this: that the protective policy, as inaugurated and maintained by Republicans since 1861, should be further secured and perpetuated by proper revision and legislation, and that such tariff revision should be strictly in line with the principles and purposes of protection.

Accordingly, when the Fifty-first Congress met in December, 1889, it quickly organized with Thomas B. Reed as Speaker; and in due time a splendid Ways and Means Committee was appointed, with William McKinley, of Ohio, as chairman.

The Committee met with open doors, and invited the proprietors of all industrial and mercantile interests in all parts of the country to appear before the Committee; and all interests were given a respectful hearing. In due time a bill was reported to the House which was strictly in line with the principles of protection. It met with the fiercest opposition from the free traders, Mugwumps and Democrats; but after full discussion it passed by a handsome majority, and was sent to the Senate. Here the Democrats attempted to talk it to death, and it was not till October 1st that the bill finally passed both Houses, was signed by the President, and became the law of the land.

DEMOCRATIC AND MUGWUMP LYING.—It is, without doubt, the best and completest tariff bill that was ever enacted into a law; but it is also true that there never has been a law so maliciously and wantonly maligned and misinterpreted, and about which there has been such deliberate and persistent and systematic lying as about this one. From the time of the passage of the bill till the day of the November elections following, nearly every Democratic and Mugwump newspaper and speaker declared from day to-day, and from week to week, that the price of every article of food, every article of clothing, and every article used in our domestic economy, in short, the price of everything, whether imported or domestic, had been raised by the McKinley Act; and they gave forged figures and statistics to prove it. These alleged statistics were absolutely false, and the newspapers and orators who uttered them knew it; but so trifling a matter as that did not deter them from deliberately repeating those falsehoods. In a historical treatise, these remarks may at first thought appear harsh and undignified, but it is the historian's duty to state facts; and the statements referred to are facts, and they are history as well, and therefore should be stated here. An examination of the newspapers referred to will afford ample proof that I have not overstated the facts. But these falsehoods were not all. In various parts of the country, peddlers were furnished with carts and packs, loaded with tinware and many other articles. The peddlers were not expected to sell their wares, but were instructed to ask double and triple prices; and when people objected to their prices, they were to say that all these prices had been raised on account of the McKinley tariff; and that they could not sell at lower prices. The country folk did not know that these men were lying, and, of course, denounced the Republicans and voted against them. Merchants and traders of the

same political faith all over the land, adopted the same tactics, and with like results. Within three weeks after the election, the same men declared that those stories were not true, and all admitted that prices had not been raised. One of the ablest newspaper defamers the day after the election, said: "It is probable that this intentional deception about the rise of prices under the McKinley Bill has now appeared for the last time, having served the purpose of electing a Democratic house in the next Congress."

MR. DEPEW'S OPINION.—On the 6th of March, 1891, at a public dinner in the City of New York, that genial, kindly-spirited and conservative gentleman, Chauncey M. Depew, referring to the election of 1890, boldly said: "We had last Fall our Bull Run. It was the triumph of the liar in American politics. The liar collected a Congress of more than two-thirds, of some honest Democrats and many phenomenal cranks, and when that Congress shall have adjourned the American people will understand, in regard to the liar, that the deeds of men live after them; and while the liar will live as long as the race in its present degraded condition survives, he never more will be a factor in our politics."

A WOMAN'S SPIRITED REPLY.—But, strange as it may seem, this perversion of fact and of truth was continued for months by free trade organs. Six months after the McKinley Bill became a law, the *New York Times* said: "When a woman pays 50 cents more a yard for stuff to make a dress of than she would have paid if the McKinley Bill had not become a law, she should keep it to herself. So doing, she will confer a great favor on President Harrison, who thinks he may get another term in the White House if people will quit making 'malevolent' remarks about the tariff." This false and bitter paragraph was copied approvingly by a Chicago paper, and came under notice of Mrs. Elizabeth Hunt, of Bloomington, Ill. She wrote an indignant letter in reply, which deserves a place here, because it is so spicy, so full of facts, and so clearly proves that the women of the land now know the truth about this matter. After saying that she "is a Democrat's wife, but is sick of seeing such lies in newspapers whose editors claim not to be fools," she adds:

"Now, don't this fool Democrat who edits the (Chicago) *Herald* know, or can't his wife tell him, that everything a woman wears costs less than it did before the McKinley Bill passed? Calico is 4 1-2 cents per yard; a good summer silk costs from 25 to 35 cents a yard. It used to cost a \$1. Black silk can be bought for from 60 cents to \$1 that used to cost from \$2 to \$3.50. Sugar costs 5 cents that used to cost 8 cents. Ribbons are half the old price, stockings the same, and jerseys, since they are making them in this country, cost half as much as the imported. Ladies' things are down. We ladies know that Democratic husbands can lie to each other, but they can't lie to us. We women are not fools. Let the *Herald* liar stick to men's things when he lies, and not try to lie about women's things. We won't stand it. I'm a Democratic woman, but I don't want any lying to keep the party up."

SOME GOOD POINTS OF THE MCKINLEY ACT.—It proclaims and upholds the principles of protection to American industries.

It affords ample protection equally to American capital and American labor.

It forbids the United States government from importing articles for its own use free of duty.

It forbids the importation of obscene books, pictures and literature ; and also forbids the importation of any foreign goods that bear an American trade-mark.

It has been common for many of our wealthy citizens to go abroad and buy large quantities of things for personal use, and so bring them in free of duty. The value of such purchases to be free of duty is now fixed at \$500, enough for all honest purposes.

The importation of all foreign goods made by convict labor is strictly prohibited.

The friends of free trade have persistently declared that if we could only have free raw materials from abroad for manufacturing purposes, we could increase our exports many millions, and soon take the markets of the world. The McKinley bill provides that, whenever any raw materials shall be imported for manufacture and export, 99 per cent of the duty shall be refunded, when so exported ; and free traders now have full permission to take the markets of the world.

It restores the protective features of the law of 1867 on wool and its manufactures, so that the sheep and wool industry will again flourish.

It adds materially to the duties on agricultural products, and so protects our farmers from the cheap labor of Canada and other countries.

It lays a duty on imported linen products that will encourage the erection of many large plants for the manufacture of linens in our own country, and will, at the same time, add a new and valuable product to the farmers' list, in the raising of flax.

HOW IT AFFECTS TIN PLATES.—It puts a duty on tin plate so high that it will probably soon transfer the most of that great industry to this country. Already many large plants are in process of erection, or have been completed, and are producing a superior tin plate, at Brooklyn, Pittsburgh, Chicago, St. Louis, and other places,* and others will soon go up. The largest mines of tin in the world have lately been found in the Dakotas, California, Texas and Virginia ; so that it is morally certain that in the near future we shall be able to produce at home the full supply of tin and tin plate that we need, and which now amounts to over \$30,000,000 in value annually,

When this is accomplished it will afford a new business that will annually pay to American labor not less than \$23,000,000 ; it will require from iron ore miners not less than 1,000,000 tons of iron ore more than they now produce ; from limestone quarries 300,000 tons more of limestone ; from coal mines and coke ovens 2,000,000 tons more of coal and coke ; from blast furnaces 400,000 tons more of pig iron ; from lead mines and smelting furnaces 5,500,000 pounds more of lead ; from slaughter and

* See Appendix, Table VIII.

packing houses 13,000,000 pounds more of tallow and oil ; from chemical factories 40,000,000 pounds more of sulphuric acid ; from lumber yards 12,000,000 feet more of lumber ; and will give constant work to at least 35,000 persons. Indeed, it is already (1892) in large part fulfilled.

CHARACTERISTIC ACTION OF BRITISH FREE TRADERS.—A glance at the history of prices of tin plate for twenty years past will make clear the necessity and propriety of the McKinley tariff, and, at the same time, illustrate the characteristic policy of British free trade manufacturers. "In 1873, British importers advanced the price of tin plate to \$12 a box, in American markets ; and at once, American tin-plate factories commenced operations. British importers within three years reduced the price to \$4.50 per box, and our mills had to shut down. When this was done British importers advanced prices to \$9 and \$10 per box, and under this stimulus, in 1879, American mills again started up. As soon as they were well at work, British importers again reduced the price to \$4 per box ; and then made a standing offer or more properly a threat, to sell their tin plate twenty-five cents a box cheaper than the American product, no matter what the price of the latter might be. Of course, this action completely finished the American industry, and prices were at once advanced from \$4 to \$7 per box." (Rice.)

The McKinley tariff put an end to this outrage and robbery, and this fact alone is sufficient justification for its enactment.

THE FREE LIST AND THE REASON FOR IT.—The McKinley Act also puts upon the free list almost fifty per cent of the whole number of articles imported, including sugar ; while the free trade Mills Bill put only about thirty-eight per cent on the free list ; and left a duty on sugar amounting to nearly \$60,000,000 a year, and a duty of 100 per cent on rice, two articles then produced in this country only in the South.

The principle of protection is this : Any articles (except luxuries which are used only by the rich) which we do not and cannot raise, or produce, with profit in this country, but which are necessary in the common household economy of the masses of the people, such as tea, coffee, sugar, etc., covering over forty-nine per cent of all articles we import, we let in free of duty, or at mere nominal rates ; but upon all articles we do raise or produce here, and in the production of which our workingmen are obliged to compete with cheap foreign labor, we place a duty, large enough to cover the difference between the low wages of the foreign laborers and the much higher wages of our American laborers, in order that the wages of our own workmen may not be reduced. We also lay a heavy duty on luxuries, such as costly furs, cloths, wines, etc., which only the wealthy can afford ; for the reason that, if they will indulge in such expensive foreign productions, they should contribute largely toward paying the expenses of the Government that grants them such exclusive privileges.

McKINLEY'S OPINIONS.—This bill gives freer, broader, wider trade than any bill from Washington to Harrison. Nearly fifty per cent of all we imported last year is absolutely free under the law of 1890.

"Now do you know why we put them on the free list? We did it on the great principle underlying protection—because we do not manufacture them at home. For the same reason in 1872 we put tea and coffee there, and that is the exact reason that we make sugar free—that we produce but a small percentage of what we consume." (Speech in New York, April 29, 1891.)

A FREE TRADE TARIFF vs. A PROTECTIVE TARIFF.—To clearly illustrate the marked difference between these two systems in their application to the laboring and middle classes of England and the United States, and especially how they affect the earnings of these people, let us examine the English customs reports for the year 1888 :

Whole amount collected from customs \$97,897,380.

Amount collected from Tobacco.....	\$43,569,715
“ “ “ Tea.....	23,066,560
“ “ “ Dried Fruit.....	2,742,380
“ “ “ Coffee.....	937,810
“ “ “ Cocoa.....	414,717
“ “ “ Chicory.....	355,060
“ “ “ Wines.....	5,428,230
	<hr/>
	\$76,514,462

Now none of these articles are raised or produced in England, but with the exception of wines they are all necessities of life, and the toiling millions of England must and will have them; and by these people are consumed the greater part of the articles enumerated above. In other words, under a free trade tariff, these few articles of necessity, consumed mostly by the laboring classes of England, pay \$76,514,462 out of \$97,897,380—more than four-fifths of all the customs duties.

The American laborer pays no duty at all on tea, coffee, cocoa, chicory, and dried fruits; and none on tobacco and wines produced at home. In other words, a protective tariff saves our workmen the greater part of \$76,000,000 in customs duties.

In the United States under fifteen years of the free trade tariff of 1846 to 1861, our imports exceeded our exports by \$432,355,721 and that amount of gold had to go abroad to pay that balance; in fifteen years of protection from 1876 to 1890, our exports exceeded our imports by \$1,669,444,246, and that amount of specie was sent to this country to pay us that immense balance. During the whole period from 1790 to 1861—seventy-one years—we exported 80,869,000 bushels of wheat; but in 1883, after twenty-two years of protective tariff we exported 150,000,000 bushels in a single year.

In 1861 after fifteen years of tariff for revenue, Government had to borrow money for current expenses at ten and twelve per cent. In 1891 after thirty years of protection, Government can borrow all it wants at two per cent.

GLADSTONE vs. FACTS.—Mr. Gladstone, the eminent leader of the free traders in England, admits the marvelous increase of wealth acquired by the United States under a protective tariff, but insists that the

results would have been even larger under free trade. He produces no facts to sustain his views, and therefore it is simply an expression of opinion.

Prince Bismarck holds the opposite view, and it may be said that his view is also a matter of opinion. But undisputed facts are infinitely stronger and more decisive than opinions or arguments, no matter how great or how able are their authors, and therefore the facts shall decide this question.

Mr. Blaine has marshaled these facts clearly and forcibly from the very best authorities as follows:

"In 1860 the population of the United States was in round numbers 31,000,000. At the same time the population of the United Kingdom was in round numbers 29,000,000. The wealth of the United States at that time was \$14,000,000,000; the wealth of the United Kingdom was \$29,000,000,000. The United Kingdom had therefore nearly the same population, but more than double the wealth of the United States, with machinery for manufacturing four-fold greater than that of the United States. At the end of twenty years (1880) it appeared that the United States had added nearly \$30,000,000,000 to her wealth, while the United Kingdom had added nearly \$15,000,000,000, or about one-half.

"During this period of twenty years the United States had incurred the enormous loss of \$9,000,000,000 by internal war, while the United Kingdom was at peace, enjoyed exceptional prosperity, and made a far greater gain than in any other twenty years of her history—a gain which during four years was in a large part due to the calamity that had fallen upon the United States. The United Kingdom had added 6,000,000 to her population during the period of twenty years, while the addition to the United States exceeded 18,000,000.

"By the compound ratio of population and wealth in each country, even without making allowance for the great loss incurred by the Civil War, it is plainly shown by the statistics here presented that the degree of progress in the United States under protection far exceeded that of the United Kingdom under free trade for the period named. In 1860 the average wealth, per capita, of the United Kingdom was \$1,000, while in the United States it was but \$450. In 1880 the United Kingdom had increased her per capita wealth to \$1,230, while the United States had increased her per capita wealth to \$870. The United Kingdom had in twenty years increased her per capita wealth twenty-three per cent, while the United States had increased her per capita wealth more than ninety-three per cent. If allowance should be made for war losses the ratio of gain in the United States would far exceed one hundred per cent. Upon these results what ground has Mr. Gladstone for his assertion?" (Blaine's answer to Gladstone.)

RESTRICTED RECIPROCITY.—Another of the highly beneficent provisions of the McKinley Act is the section on Restricted Reciprocity. This (third) section "provides that with a view to secure reciprocal trade with countries producing the following articles, and for this purpose, on

and after the 1st day of July, 1892, whenever and so often as the President shall be satisfied that the government of any country producing and exporting sugars, molasses, coffee, tea and hides, raw and cured, or any of such articles, imposes duties or other exactions upon the agricultural or other products of the United States, which in view of the free introduction of such sugars, molasses, coffee, tea and hides into the United States he may deem reciprocally unequal and unreasonable, he shall have the power and it shall be his duty to suspend by proclamation to that effect the provisions of this act relative to the free introduction of such sugar, molasses, coffee, tea and hides, the production of such country, for such time as he shall deem just; and in such case and during such suspension duties shall be levied, collected and paid thereon as follows: Sugars from one to two cents per pound, according to quality; molasses, four cents per gallon; coffee, three cents; tea, ten cents, and hides, one and one-half cents per pound."

A careful reading of this section will show to the reader that it is strictly in line with the doctrine of a protective tariff.

The articles named are such as cannot be produced economically in this country; but they are universally regarded as necessities by our people, and are therefore placed upon the free list. Our production of wheat and corn has become enormous and is rapidly increasing; and hitherto we have found a ready market in Europe for our surplus of these cereals.

BUT INDIA AND OTHER EASTERN COUNTRIES are increasing their production of these articles much more rapidly than we are, and as the wages paid to Indian and Oriental laborers are but a small fraction of the wages paid to American laborers, they can, and will undersell us in the European markets, and so, to a large extent, cut off our markets there.

We are also producing agricultural and other machinery in unlimited quantities and of the highest quality, and we have, or easily can have, a surplus of these things.

Now it so happens that the countries that produce sugar, molasses, coffee, tea, hides, etc., do not produce their own wheat, corn, flour, meal, beef, pork, lard, etc., in the quantities required by their people; neither do they make their own machinery to any great extent; but, strange as it may seem, those countries that need, and must have, but do not produce, these agricultural, mechanical and food productions which we make, have, up to January 1, 1891, levied and collected on these articles a heavy tariff duty whenever we have exported them to those countries, such duties, in some cases, being almost prohibitory. It should be added here that we were just as unwise as to sugar, collecting therefrom duties amounting to nearly \$60,000,000 a year, though we admitted tea, coffee and hides free from duty.

Under the wise leadership of James G. Blaine, our eminent Secretary of State, supported cordially by President Harrison's Administration, and by a Republican Congress, this section on Restricted Reciprocity was inserted in the McKinley Act. The reason for it was substantially this:

THESE SOUTHERN COUNTRIES produce sugar, coffee, hides, etc., cheaply and in great abundance; they want a steady and increasing market for their surplus; but do not and cannot produce the cereals and other foods, and the machinery they want.

We produce a large surplus of cereals, and other foods, and machinery, for which we want a steady and increasing market; and we cannot produce profitably, if at all, the sugar, coffee, etc., that we need.

Mr. Blaine suggested: Why not establish reciprocity with these countries, relative to the above named productions of each country; and admit such distinctive productions above named, free of duty, provided they will do the same by ours?

When thus stated it became a matter of the simplest common sense. It was most heartily approved by the country, with some partisan exceptions, and everybody wondered why so simple and desirable an arrangement had not been thought of before.

In justice to fact and history, it should be added here, that nearly or quite every Democrat in Congress voted against it; but thanks to the good sense of a Republican Congress and President, it was passed; and sugar, molasses, coffee, tea and hides will be on the free list till Jan. 1, 1892, and permanently for all the nations that reciprocate prior to that date.

Already (1892) Brazil, the British West Indies, British Guiana, Spanish West Indies, San Domingo, Germany, Hawaii, Guatemala, Costa Rica and Salvador, have completed reciprocal treaties with us on the lines proposed in the McKinley Act; and it is not only probable but morally certain that Mexico, the other Central American States and the other South American States will speedily join in similar reciprocal treaties.

In ten years ending June 30, 1889, we imported from these Southern nations merchandise to the value of \$1,529,791,797; and during the same period we exported to them goods to the value of only \$527,282,776; leaving against us the enormous balance of \$1,002,509,021, or over \$100,000,000 a year, which had to be paid by us in gold or its equivalent.

It must be apparent to the dullest intellect, the protectionists argue, that it is vastly better for us to retain that gold here, and pay that great balance, or the most of it, with our flour, meats, lumber, machinery, etc., and thereby increase our home productions, maintain the wages of our workingmen, give them steady employment, augment our wealth, multiply our comforts, and add to our happiness and contentment. In order to save our market for her beet sugar, Germany has removed all restrictions which for years have kept our pork products out of that country, and another market worth many millions annually has been given us by reciprocity.

NET GAIN UNDER RECIPROCITY FROM SUGAR.— Claims under the McKinley Act for sugar bounties filed up to June 30, 1891, the last day on which they could be filed for 1891, amounted to about \$9,000,000.

The advantage which the new Tariff Act gives to the country for one year thus can be seen at a glance:

Amount of duty taken off.....	\$60,000,000
Amount paid for bounties.....	9,000,000

Amount saved to the people by the new reciprocity tariff on sugar alone.....	\$51,000,000
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The New York Democratic Platform (1891) characterized this matter as "The Blaine Reciprocity Humbug." What are the facts? In June, 1890, under the old tariff we sold to Brazil bread-stuffs, carriages, cars, cotton, clothing, tools, hardware, sewing machines, engines, machinery, resin, tar, pitch, bacon, lard, lumber, manufactures of wood, etc., to the value of \$506,000. On these things by the Reciprocity Act, the duties were either abolished or reduced 25 per cent and in June, 1891, we sold to Brazil of these articles to the value of \$1,000,000. Increase the first year about 98 per cent. And such results, we are told, are "Humbug!"

WHAT RECIPROCITY MEANS.—The New York *Sun* is probably the ablest Democratic paper in the United States, and, notwithstanding the position of its party relative to the McKinley Tariff, it has the courage to express its own opinion, as follows: "The full purpose and ultimate significance of the reciprocity programme conceived by Mr. Blaine did not at first reveal themselves to the public mind. Even the commercial and industrial advantages derivable from such a policy were not instantly and clearly appreciated. Still less was the political significance of a scheme, the most capacious ever formed by an American Statesman since Thomas Jefferson planned the purchase of Louisiana, at once distinctly recognized. Yet a little reflection must convince us that under the guidance of Secretary Blaine we have entered on a course whose fixed and by no means distant goal is the acquirement for the United States of not only commercial, but political ascendancy throughout the Western hemisphere."

Upon what honorable principle can any man or any party oppose such a beneficent statute?

DANIEL WEBSTER ON RECIPROCITY.—Most free traders take great delight in sneering at Mr. Blaine and this reciprocity doctrine, but he is in good company, as will be seen by the following extract from a speech by Daniel Webster in Congress April 2, 1824:

"Commerce is not a gambling among nations for a stake, to be won by some and lost by others. It has not the tendency necessarily to impoverish one of the parties to it, while it enriches the other; all parties gain, all parties make profits, all parties grow rich by the operation of just and liberal commerce. If the world had but one clime and but one soil, if all men had the same wants and the same means, on the spot of their existence, to gratify their wants, then, indeed, what one obtained from the other by exchange would injure one party in the same degree that it benefitted the other; then, indeed, there would be some foundation for the balance of trade. But Providence has disposed our lot much more kindly. We inhabit a various earth. We have reciprocal wants and re-

ciprocal means of gratifying one another's wants. This is the true origin of commerce, which is nothing more than an exchange of equivalents, and, from the rude barter of its primitive state to the refined and complex condition in which we see it, its principle is uniformly the same, its only object being in every stage to produce that exchange of commodities between individuals and between nations which shall conduce to the advantage and happiness of both."

NOT AN ABANDONMENT OF PROTECTION—"Reciprocity is fair trade, not free trade. We admit free of duty into the American market the things we do not or cannot produce, like tea and coffee, or things which, like sugar, cannot be produced in sufficient quantities to supply the whole, and in return therefor secure reciprocal advantages in the markets of the countries supplying these articles.

"Reciprocity strikes down no American industry, cripples no American enterprise. Reciprocity antagonistic to protection! Protection guards the home market; reciprocity reaches out to the foreign markets. Protection establishes, builds up and maintains American industries; reciprocity opens a new outlet for the surplus products of our farms and factories. Protection gives employment to American labor; reciprocity enlarges the demand for the fruits of that labor, thereby insuring uninterrupted employment. In a word, protection is defense, reciprocity is conquest.

"There is, therefore, no abandonment of the doctrine of protection, but rather an increased demand for its maintenance." (Burrows.)

GREAT PROSPERITY ASSURED.—These are a few of the salient points of the McKinley Act, and there are many others equally helpful and beneficent, but we have not space to consider them now.

That the act will grow in popular favor, and that many industries will be revived and strengthened, and many others started and developed, is confidently expected and believed. This has been our invariable experience under protection, and no good reason is apparent why it should not be so now.

Up to this time (January, 1892), it has not been in operation sufficiently long to show fully what or how much it will accomplish; but, as already hinted, some twenty or more large plants for the manufacture of tin-plate are already in active operation or in process of construction and nearly completed;* several large plants for manufacturing linen are also being erected; many factories for the manufacture of pearl and other dress buttons have been revived and started; one or two large thread works are doubling their capacity; hundreds of new enterprises have already been established; large numbers of articles used by mechanics and farmers, manufactured of iron or steel, are already from ten to twenty-five per cent cheaper than they were before this bill was enacted; increased wages are paid to many workmen; our commercial relations with Central and South American Republics will be greatly enlarged and give us increased business and profits through the operation of this Act;

* See Appendix, Table VIII.

so that there is every reason to believe that we shall speedily see our old rule or doctrine again exemplified; and shall have great and increasing prosperity in all lines of business under a tariff expressly drawn to give just and ample protection to American industries, American labor, and American capital.

"For the benefit of the whole host of free traders, we present in a nutshell some facts about the operation of the new tariff which they will have to meet squarely or confess themselves beaten. The McKinley bill has—

Increased the duties on about.....	115 articles
Reduced the duties on about.....	190 articles
And left it unchanged on.....	249 articles
Increased our foreign commerce (in 11 months).....	\$74,768,639
Increased our free imports.....	\$112,013,081
Made the percentage of free imports, of all our imports.....	55.75
Increased free imports over the last tariff, per cent.....	22.48
Reduced the duties per capita from \$3.80 to \$3.07.	
Reduced the total revenue ("tariff taxes") in 12 months.....	\$41,396,425
Increased the cost of no necessity of life and reduced the cost of many; stimulated business, and thereby tended to make people busier and earnings surer, if not larger.	

"The figures here given for foreign commerce and free imports are for eleven months ending September 1st, the latest at hand, and the percentages of free imports, which are now larger than ever before in the history of our government, are for six months, beginning April 1st, when sugar became free.

"Such is the early fruit of genuine 'tariff reform' by the Republican party."—*N. Y. Press*, Oct. 11, 1891.

AMAZING POLITICAL BLINDNESS.—Notwithstanding the marvelous results in the Southern States, as shown in the following table we are confronted with a condition of political affairs in those States so amazing as to be incomprehensible. With such tremendous results as shown therein, and accomplished as they have been, not by their own efforts and capital, but chiefly by the business men and capital of the Northern States, we would naturally think that the political South would be grateful to those Northern men and favorable to a protective system that permits and encourages such a magnificent development of their great natural resources.

But what are the facts?

These Southern States constitute the "Solid South;" and with here and there an exception, they are absolutely "solid" for free trade Democracy.

They were practically "solid" for the Mills Bill, which was avowedly drawn in the interests of free trade, and which, had it become a law, would have depressed or destroyed most of those splendid industries set forth in the foregoing table. Not only were they actually "solid" against the McKinley Act, but they fought it with such fury and persistence as to show that they were animated by the intensest hate against protection and protective tariffs.

And yet if the beneficent provisions of that protective tariff are allowed full exercise during the next decade, the industrial development of the South in the same period will be vastly greater and more enriching than it has been during the last decade.

What is the explanation of this singular action on the part of the South?

The facts are stated, but the reader must furnish the explanation, if he can.

WHAT PROTECTION HAS DONE FOR THE SOUTH.—The summary of the facts contained in the subjoined table, shows the wonderful growth of the Southern States under protection, in population, wealth, capital, railroads, manufactories, agriculture and education since the census of 1880 was taken. The totals are as follows for year ending June 30, 1890:

	1890	1880	PER CENT.
Total population.....	17,556,920	14,638,986	19.9*
Whites.....	11,361,996	9,007,187	26.2*
Colored.....	6,194,924	5,631,749	10.0*
Actual Wealth.....	\$9,751,815,635	\$6,098,000,000	62.5*
State debts, (net).....	96,460,126	118,195,252	18.4†
Total public indebtedness.....	183,772,353	139,345,464	8.0†
Total State revenues.....	26,533,260	13,249,866	100.0*
Banking capital.....	171,690,670	92,575,000	86.1*
Capital invested during decade.....	\$2,389,170,000	.....	.....
Railroad mileage.....	41,118	19,572	110.1*
Men employed.....	188,731	86,250	118.8*
Cost of railroad equipment, etc.....	\$1,301,096,740	\$612,000,000	110.9*
Number of manufactories.....	56,714	34,563	64.2*
Capital.....	\$551,438,900	\$179,366,230	207.0*
Value of product.....	742,865,200	315,924,704	135.2*
Cotton mills.....	334	161	107.4*
Value of products.....	\$54,191,600	\$16,853,132	231.4*
Cotton seed products, value.....	27,310,836	7,690,921	267.1*
Pig iron produced, tons.....	1,684,663	290,772	480.9*
Steel produced, tons.....	183,625	4,380	4,121.0*
Coal produced tons.....	17,536,456	3,820,550	362.9*
Precious metals, value.....	\$712,789	\$225,176	218.0*
Total minerals, value.....	35,608,615	3,643,020	877.5*
Value of lumber output.....	102,122,100	35,680,151	183.4*
Value of forest products.....	123,998,800	46,979,062	163.8*
Lands under crops, acres.....	75,551,429	54,679,145	88.1*
Value of agricultural machinery, etc.....	\$120,750,000	\$67,372,500	79.2*
Cotton produced, bales.....	7,776,215	5,733,675	8.6*
Value.....	\$340,268,005	\$258,524,911	32.6*
Fruit, value.....	24,620,500	\$9,084,173	171.0*
Total value of farm products.....	984,707,000	611,679,145	60.9*
Value, live stock.....	555,905,108	360,066,883	54.1*
Schools.....	66,647	44,260	50.1*
Teachers.....	74,055	49,182	50.5*
Pupils enrolled.....	3,359,173	2,018,640	67.0*
Attendance.....	2,181,109	1,391,743	56.9*
School revenues.....	\$14,767,896	\$5,607,081	163.6*

* Increase. † Decrease.

As said with singular pertinency to the South by Ellis H. Roberts, in his work on "Government Revenue": "The protective clauses of a Tariff serve to recruit the armies of labor out of the listless and careless, and to make the streams which have been lazily humming the melodies of drowsiness, vocal with the glad choruses of iron and steel and woolen and cotton and silk. The idle Naiads are changed into ministers of progress and the creators of every blessing of civilization."

TO THE READER.—We have now brought our "American Tariff History" to 1892, that is to date. Much more might have been written; indeed, but a small part of the materials at hand have been used; but we believe that enough has been utilized to make clear to the reader the great difference between these two economical systems; and the great superiority of Protection over Free Trade for our country. We have tried to be careful and candid in all our statements of facts; and to present them with strict accuracy. We honestly believe that there is not a single statement of fact in the foregoing pages that cannot be fully and historically established. Such being the case, these facts should be carefully and thoughtfully examined and considered by every patriotic American.

If free trade, under whatever name, invariably produces the results set forth in this treatise, then we have no further use for free trade in our nation.

That it does, invariably, produce the evil results stated, is a fact that cannot be truthfully denied nor disproven. It is only by sophistical and fallacious reasoning, by bold assumption, or by utterly ignoring all facts, that the free traders are able to make converts.

If protectionists will be as earnest and aggressive as are their opponents, and keep the real facts before the American people, they need have no fear of the final result.

Don't fail to read carefully and ponder deeply the paragraph a little further on entitled "A Significant Parallel."

OPINIONS OF VALUE.—It seems proper and profitable to insert in this history the weighty opinions of the two ablest statesmen produced by the Nineteenth century; one in America, the other in Europe, relative to the value and importance of a protective tariff.

JAMES G. BLAINE'S OPINION.—"The country is now in the enjoyment of an industrial system which in a quarter of a century has assured a larger national growth, a more rapid accumulation and a broader distribution of wealth than were ever before known to history. The American people will now be openly and formally asked to decide whether this system shall be recklessly abandoned and a new trial be made of an old experiment which has uniformly led to national embarrassment and wide spread individual distress. On the result of such an issue fairly presented to the popular judgment there is no room for doubt." (Letter from Florence, January 25, 1888.) On another occasion Mr. Blaine said: "The benefit of protection goes first and last to the men who earn their bread in the sweat of their faces. The auspicious and mo-

mentous result is that never before in the history of the world has comfort been enjoyed, educations acquired and independence secured by so large a proportion of the total population as in the United States of America."

PRINCE BISMARCK'S OPINION.—"The success (under protection) of the United States in material development is the most illustrious of modern times. The American nation has not only successfully borne and suppressed the most gigantic and expensive war of all history, but immediately afterward disbanded its army, found work for all its soldiers and marines, paid off most of its debt, given labor and homes to all the unemployed of Europe as fast as they could arrive within its territory, and has done all this by a system of taxation so indirect as not to be perceived, much less felt.

"Because it is my deliberate judgment that the prosperity of America is mainly due to its system of protective laws, I urge that Germany has now reached that point where it is necessary to imitate the tariff system of the United States."

It is fair and pertinent to add that Germany has followed this advice in a limited degree, and has found it very profitable and advantageous to her people and to her material interests.

HORACE GREELEY'S OPINION.—Having given, briefly, the opinions of these two distinguished statesmen relative to the benefits of a protective tariff, it seems proper to quote another gentleman no less able, distinguished or clear-headed relative to the terrible financial prostrations in our country which have been examined and described in the preceding pages, and which in every instance occurred under free trade or free trade tariffs. In 1869 Horace Greeley, the great editor, the profound philosopher, the intelligent political economist, wrote as follows:

"Our years of signal disaster and depression have been those in which our ports were more easily flooded with foreign goods—those which intervened between the recognition of our independence and the enactment of the Tariff of 1789—those which followed the close of our last war with Great Britain and were signalized by immense importations of her fabrics—those of 1837-42 when the compromise of 1833 began to be seriously felt in the reduction of duties on imports—and those of 1854-57 when the Polk-Walker Tariff of 1846 had had time to take full effect."

It will be observed that these dates correspond exactly with the four "free trade periods" described in chapters I, III, V and VII of this treatise. It is also historically true that no such financial revulsions have ever occurred under either of the four protective periods of our history. The reader is at liberty to draw his own conclusions as to the desirability of these respective economic systems.

AN ENGLISHMAN'S OPINION.—Mr. James Bryce, M. P., the author of "The American Commonwealth," a work of rare candor and of great merit, after recently traveling over the most of our country, and making a most careful study of the people, the institutions, the industries and the marvelous progress of the United States, thus expressed himself:

"With one interval of trade depression it (the United States) has for twenty years been developing its amazing natural resources so fast as to produce an amount of wealth, which is not only greater, but more widely diffused through the populations than in any other part of the world, and the people allow themselves luxuries, such as the masses enjoy in no other country."

An involuntary, but invaluable tribute to protection, which has prevailed here during the period mentioned by Mr. Bryce!

A BRITISH VIEW OF THE AMERICAN TARIFF—"The promoters of the McKinley tariff meant it to push forward the policy of America for the Americans. One method of realizing it was to keep all work within their own dominions. The country was to be made self supplying: what could be produced at home was not to be bought abroad. That was the keynote of the McKinley scheme, and it is working out the idea of its designers with the precision and effectiveness of a machine."—*Sheffield (England) Telegraph*.

A SIGNIFICANT PARALLEL—In closing, let me, in a single paragraph, condensed from Henry C. Carey, once more place before you in vivid contrast, the actual unvarying results of each system, in order that we may be able, safely and intelligently, to decide between them—the one based entirely upon unsupported theory; the other founded upon impregnable facts.

We have had protection in 1789, 1812, 1824, 1828, 1842, and from 1861 to date.

We have had free trade, or very low tariff, in 1783, 1816, 1832, 1846, 1857.

Now for the unvarying results.

UNDER PROTECTION WE HAVE HAD:

- 1.—Great demand for labor.
- 2.—Wages high and money cheap.
- 3.—Public and private revenues large.
- 4.—Immigration great and steadily increasing.
- 5.—Public and private prosperity great beyond all previous precedent.
- 6.—Growing national independence.

UNDER FREE TRADE WE HAVE HAD:

- 1.—Labor everywhere seeking employment.
- 2.—Wages low and money high.
- 3.—Public and private revenues small and steadily decreasing.
- 4.—Immigration declining.
- 5.—Public and private bankruptcy nearly universal.
- 6.—Growing national dependence.

Can you any longer doubt which system is the better for us? Will any one say these uniform results are mere accidents or coincidences? With just as much reason, one might say that the rising and setting of the sun, or the recurrence of the tides, are accidents or coincidences.

CONCLUSION.—Because he has expressed my own thought more tersely and strongly than I could, I will insert here the words of William McKinley: "With me protection is a conviction, not a theory. I believe in it, and warmly advocate it, because enveloped in it are my country's

highest development and greatest prosperity; out of it comes the greatest gains to the people, the greatest comforts to the masses, the widest encouragement for manly aspirations, the best and largest rewards for honest efforts; and a dignifying and elevating citizenship, upon which the safety and purity and permanency of our political system depend."

I will only add, in brief, my own reasons

WHY I AM A PROTECTIONIST. — FIRST.—Because, having tried free trade, or a free trade tariff, four times since 1788, it (free trade) has *never once*, failed to cause excessive imports and decreased exports; heavy loss of specie, suspension of our manufactories, low wages and enforced idleness of our laborers, general inability to pay our debts, wide-spread bankruptcies, universal distress and financial ruin.

SECOND.—Because, having also tried protection four times since 1783, it has *never once* failed to cause increasing demand for labor; high wages for our workmen and lower prices for their family and household necessities; general and growing agricultural prosperity, varied and multiplied industries, strong development of our educational and benevolent institutions, and an increase of national wealth unprecedented in the history of any other nation.

THIRD.—Because, the foregoing results in each case having been uniform, unfailing and invariable, I am compelled to believe that the said evil results are inherent in the free trade system; and that the said good results are no less inherent in the protective system.

FOURTH.—Because, these things being so, I *must* prefer that system, that brings universal prosperity, rather than the one that causes general and unavoidable adversity.

PROTECTION vs. FREE TRADE.

APPENDIX.

The following tables have been added by special request:

I.

Comparative Wages in England and the United States:

Compiled from official consular reports and published by the Secretary of State.

	ENGLAND. (Free Trade).	UNITED STATES. (Protection).
Bookbinders	\$6.00	\$15.00 to \$18.00
Boiler-Makers	7.75	16.50
Bricklayers	8.00	21.00
Carpenters	7.50	15.00
Coopers	6.00	13.35
Clockmakers	7.00	18.00
Cabinetmakers	7.00	18.00
Farm Hands	3.00	7.50 to 9.00
Glass Blowers	\$6.00 to 9.00	25.00 to 30.00
Hatters	6.00	12.00 to 24.00
Iron Moulders	7.50	15.00
Laborers	4.10	8.00
Cotton (yearly average)	101.18	332.07
Woolen (yearly average)	166.37	367.55
Worsted (yearly average)	152.27	350.08
Linen (yearly average)	127.05	307.98
Machinists	8.50	18.00
Masons	8.00	21.00
Printers (1,000 ems) .....	.20	.40
Painters	7.50	15.00
Pattern Makers	7.50	18.00
Plumbers	8.00	18.00
Railway Engineers	10.00	21.00
Shoemakers	6.00	12.00
Watchmakers	8.00	18.00

II.

What One Dollar Will Buy.—The free trader is compelled by the figures in Table I to admit that the American laborer gets much higher wages than the English laborer, but he insists that it costs the American laborer—under protection—much more for living expenses. What the fact is appears in the following table:

	Bread, loaves.	Flour, lbs.	Meats, lbs.	Potatoes, lbs.	Coffee, lbs.	Tea, lbs.	Sugar, lbs.	Kerosene, galls.	Soap, lbs.
United States	20	30	20	80	5	4	24	7½	30
England	18	28	20	72	3½	2	16	4½	12½

III.

And the Massachusetts Bureau of Labor Statistics has lately compiled the following table showing the relative expenditure of American and English workmen who receive the same wages :

Income, \$300 to \$450 per year.			Income, \$450 to \$600 per year.		
ITEMS.	AMERICAN.	ENGLISH.	ITEMS.	AMERICAN.	ENGLISH.
Subsistence	64	80	Subsistence	63	78.75
Clothing.....	7	7	Clothing.....	10.05	10.50
Rent.....	20	13	Rent.....	15.05	10.87
Fuel.....	6	6	Fuel.....	6	6
Sundries.....	3	2	Sundries	5	5
Total.....	100	110	Total.....	100.00	110.62

In other words, with the same income and relative modes of living, it costs the Englishman ten per cent more to live than it does the American. But, as a rule, the Englishman does not live as well as the American does, and it is this fact that shows the fallacy in the statement that it costs the American workingman more to live than it does the Englishman. If it does it is because he lives better. But the real question is, in which country will a dollar purchase most of the necessities of life for a family? Tables II and III show to a demonstration.

IV.

Savings Banks, Deposits, Gains, etc.—Savings banks are organized for, and patronized by, wage-earners almost exclusively. The following tables are a conclusive answer to the sneer of the free trader that under protection "employers are growing richer while wage earners are growing poorer : "

NEW YORK AND KINGS COUNTY, N. Y.	1860.	1891.	INCREASE
Deposits.....	\$49,000,000	\$421,927,000	761-per ct.
Number of Depositors.....	227,000	975,000	748,000
Average to each Depositor.....	\$216	\$433	\$217

Total gain to Depositors from 1860 to 1891.....\$372,927,000.

NEW YORK STATE.	1860.	1891.	INCREASE.
Deposits	\$58,178,000	\$582,207,000	900 per cent.
Number of Depositors....	278,864	1,500,000	440 per cent.
Average to each Depositor	209	388	\$179, or 86 per cent.

Total gain to Depositors from 1860 to 1891.....\$524,029,900.

UNITED STATES.	1860.	1890.	INCREASE.
Savings Banks Deposits..	\$253,202,000	\$1,629,000,000	\$1,376,000,000 or 640 per cent.

Have the wage earners of New York and Kings Counties, or of the State of New York, or of the United States been growing poorer under protection ?

Great Britain including England, Scotland, Wales, Ireland and the Channel Islands.

GREAT BRITAIN.	1860.	1886.	INCREASE.
Population.....	29,321,000	35,241,000	20 per cent
Number of laborers.....	11,762,000	15,181,000	30 per cent
Savings Banks.....			\$236,310,000
Deposits.....	\$119,690,000	\$436,000,000	or about 118 per ct.

New York State and Great Britain (including countries named above) compared, as to growth, deposits, etc., since 1860.

	NEW YORK.	GREAT BRITAIN.
No. laborers, 1886.....	1,884,000	15,181,000
Increase of laborers since 1860.....	40 per cent	30 per cent
Amount of Deposits in Savings Banks.....	\$469,623,000	\$436,000,000
Increase of Deposits in Savings Banks.....	800 per cent	118 per cent
Average to each Depositor.....	\$380.00	\$29.00
Average gain to each Depositor since 1860.....	171.00	12.00

In other words, the 1,884,000 laborers of New York State alone crushed down (?) by protection, have to their credit \$33,623,000 more than the entire 15,181,000 laborers of Great Britain enriched (?) by free trade, have to their credit ; each New York depositor in savings banks has gained on the average since 1860 more than fourteen times as much as has the average English laborers.

In Massachusetts the depositors in savings banks average two to each family.

In Great Britain the depositors in savings banks average one to every thirty families:

V.

The following table compiled from Census Report shows the gains in Annual Production during the last decade of a Free Trade Tariff (1850 to 1860), and also between 1870 and 1890 under protection, for the same articles :

ARTICLES.	FREE TRADE PERIOD.	PROTECTION PERIOD.	PERCENTAGE IN FAVOR OF PROTECTION PERIOD.
Lumber.....	\$ 46,400,000	\$ 66,000,000	44
Mining products.....	1,187,000	12,400,000	940
Carpets.....	2,450,000	14,800,000	480
Pig iron (tons).....	422,804	2,002,866	370
Woolen goods.....	22,388,000	89,757,000	300
Cotton goods.....	41,800,000	73,000,000	74
Clothing.....	39,700,000	119,000,000	200
All manufactures.....	866,684,000	2,176,000,000	150
Railroad Mileage, 1846 to 1860, (miles).....	22,347		
“ “ 1866 to 1880, “.....		53,402	137
Steam tonnage, 1846 to 1860, (tons).....	305,508		
“ “ 1866 to 1880, “.....		1,847,783,500	500

(*Rice's Protective Philosophy*, 192.)

It may also be added that during the free trade period 1846-1861 the excess of our imports over exports was \$432,000,000, and we had to send that immense sum to foreign land in gold to pay the balance; while during the Protection period 1876-1891 the excess of our exports over imports was \$1,670,000,000, for which foreign nations had to send the gold to us to pay the balance.

These protection facts are tremendously at variance with free trade theory; but that, of course, makes it “so much the worse for the facts.”

VI.

The following table shows the purchasing power of farm products during five years of Free Trade Tariff ending in 1850, and five years of Protection ending in 1880:

	SALT SACKS.	COAL LBS.	PRINTS YARDS	PIG IRON LBS.	BAR IRON	BLEACHED SHEETINGS YARDS.
One bushel wheat would buy						
Under Free Trade.....	0.91	422	12.21	107.3	35.8	8.51
“ Protection.....	1.80	719	16.27	134.0	57.35	11.04
One bushel of oats would buy						
Under Free Trade.....	0.31	168	4.20	36.94	12.33	2.93
“ Protection.....	0.53	240	4.80	39.87	17.07	3.27
10 lbs. of butter would buy						
Under Free Trade.....	1.11	597	14.92	131.0	43.74	10.39
“ Protection.....	3.41	1,530	31.04	254.0	108.82	20.95
10 lbs. of cheese would buy						
Under Free Trade.....	0.47	250	6.28	55.02	18.37	4.26
“ Protection.....	1.37	619	12.52	102.36	43.82	8.43
1 pound of wool would buy						
Under Free Trade.....	0.26	141	3.54	31.06	10.37	2.46
“ Protection.....	0.66	296	6.00	49.16	21.64	4.05
10 lbs. of Kentucky tobacco would buy						
Under Free Trade.....	0.43	231	5.79	50.82	46.97	4.03
“ Protection.....	1.11	526	10.66	87.33	37.38	7.19

VII.

The Truth About Prices.—Below will be found the average retail prices of fifty-six articles in common use. The first column shows prices in 1857, near the close of our last free trade period; the second column gives prices in 1889, a year before the McKinley Bill passed; the next column gives prices in 1890, during the campaign of last year, while the last column gives present prices, October, 1891;

ARTICLES.	1857.	Oct., 1889.	Oct., 1890.	Sept., 1891.
Ax.....	\$ 1.49	\$ 0 95	\$ 0.92	\$ 0.88
Binding Twine, lb.....	.....	14½	14½	11
Blankets, pair.....	6.83½	4.23	4.09½	3.70
Blue Shirting, yd.....	17½	11½	11	9½
Boots.....	4.76	3.27	3.07	2.78½
Calico, yd.....	14½	7½	6½	6
Carpets, yd.....	1.30½	77½	72½	66½
Cotton Gloves.....	34½	24½	22½	19½
Cotton Hosiery.....	47	25½	25½	20½
Cotton Knit Goods.....	98	52½	46½	41½
Cotton Thread, spool.....	9½	5	4½	4½
Crowbar, lb.....	11½	7½	6½	6½
Drawing Chains, pair.....	1.28½	71½	65½	58½
File.....	42	27½	24	20½
Fork, 3-tined.....	99½	56½	52½	46½
Flannel, yd.....	70	39½	37½	34½
Fruit Cans, per doz.....	3.00	72	65	54½
Gingham, yd.....	22½	10½	10½	8½
Hand Saw.....	2.43½	1.62½	1.53	1.89
Hoe.....	85	48½	43	37½
Hemp Rope, lb.....	21	14	14½	11½
Linen, yd.....	83	48½	47	42½
Mowing Machine.....	121.15	56.98	52.60	47.10
Nails, Wire, lb.....	.....	5	4½	3½
Nails, Iron, lb.....	8½	3½	3½	3
Oilcloth, yd.....	84	38	35½	31
Overalls.....	1.20½	83½	79½	70½
Pearl Buttons, doz.....	22½	11½	11½	13½
Pins, paper.....	11½	6½	6½	5½
Plow.....	20.12½	14.37½	13.98½	12.90
Rake, Horse.....	41.25	22.56½	21.24½	19.40½
Rake, Hand.....	61½	34	30	26½
Reaper and Binder.....	247.85	142.36	129.85	115.96
Rubber Boots.....	4.88½	3.10½	3.00	2.78½
Salt, bbl.....	2.80	1.75	1.65	1.58
Shoes.....	5.84	3.45	3.15	3.06
Sheeting, yd.....	12½	8	7½	6½
Shovel.....	1.47	97½	93½	80½
Spade.....	1.44½	96½	95½	84
Starch, lb.....	13½	9½	9½	9½
Straw Hat, good.....	1.75	1.28	1.25	1.10
Straw Hat, common.....	44	31	28	23½
Sugar, lb., granulated.....	19½	9½	9½	5½
Sugar, lb., brown.....	16½	8½	8	4½
Sugar Bowl.....	61	38½	37½	32½
Scythe.....	1.22	85½	74½	68½
Tin Dipper.....	25	12½	11½	10½
Tin Milk Pail.....	75½	46½	43½	39½
Tin Milk Pan.....	37½	18½	17½	16½

ARTICLES.	1857.	Oct., 1889.	Oct., 1890.	Sept., 1891.
Ticking, yd.....	35½	20	18½	17
Wagon.....	130.00	95.00	90.00	75.00
Washboard.....	41	24½	24	22½
Washtub.....	1.20	70½	65	65
Wheelbarrow.....	3.23	1.65	1.60	1.40
Wooden Pails.....	45	24½	22	20½
Woolen Clothing.....	24.00	16.75	14.50	14.25

Collected and arranged by *The American Economist* and published by permission.

VIII.

Showing the number, names, locations, and capacity of tin-plate establishments in the United States:

NAMES	LOCATIONS	CAPACITY WEEKLY BOXES
1 Somers Brothers.....	Brooklyn, N. Y.....	3,000
2 Marshall Brothers.....	Philadelphia, Pa.....	2,000
3 Coates & Co.....	Baltimore, Md.....	1,500
4 Laufman & Co.....	Apollo, Pa.....	1,000
5 U. S. Iron & Tin-Plate Works.....	Demmler, Pa.....	3,000
6 Fleming & Hamilton.....	Pittsburgh, Pa.....	600
7 Jennings Bros. & Co.....	Allegheny, Pa.....	Not given
8 Falcon Iron & Nail Co.....	Niles, Ohio.....	Not given
9 Wallace, Banfield & Co.....	Irondale, Ohio.....	2,000
10 W. T. Simpson & Co.....	Cincinnati, Ohio.....	1,000
11 Britton Rolling Co.....	Cleveland, Ohio.....	2,500
12 C. B. Orvis.....	Anderson, Ind.....	500
13 American Tin Plate Co.....	Elwood, Ind.....	2,000
14 Norton Brothers.....	Chicago, Ill.....	4,000
15 Lewistown Works.....	Joliet, Ill.....	1,000
16 St. Louis Stamping Co.....	St. Louis, Mo.....	2,000
17 N. & G. Taylor & Co.....	Philadelphia, Pa.....	2,000
18 Cincinnati Corrugating Co.....	Piqua, Ohio.....	1,500
19 Welsh & Am. Tin Plate Co.....	Philadelphia, Pa.....	2,000
20 D. M. Fair.....	Blairsville, Pa.....	1,200

This table is made up from actual returns made by the parties to the American Iron and Steel Association of Philadelphia. Several of these concerns were in active operation Oct. 1, 1891, and turning out over 1,000 boxes per day; and most of the others have their plants so nearly completed that they expect to be making tin-plate by January 1, 1892—and yet free traders say that American tin-plate is a myth.

IX.

LONDON, May 20.

LORD SALISBURY—PROTECTIONIST.—The following is a verbatim report of Lord Salisbury's Tariff speech at Hastings. It has created a furore of excitement throughout the United Kingdom and stirred up a storm of adverse and commendatory criticism. It is the natural outcome of the deplorable condition of British trade, which is continually growing worse. He said:

There is another matter which occupies our minds, and in which I think the prosperity of the country is greatly involved. I allude to the question of our external trade.

After all, this little island lives as a trading island. We could not produce in food stuffs enough to sustain the population that lives in this island, and it is only by the great industries which exist here, and which find markets in foreign countries, that we are able to maintain the vast population by which this island is inhabited.

But a danger is growing up. Forty or fifty years ago everybody believed that Free-Trade had conquered the world, and they prophesied that every nation would follow the example of England and give itself up to absolute Free-Trade. The results are not exactly what they prophesied, but the more adverse the results were the more the devoted prophets of Free-Trade declared that all would come right at last.

The worse the Tariffs of foreign countries became the more confident were the prophesies of an early victory, but we see now, after many years' experience that explain it, how many foreign nations are raising, one after another, a wall—a brazen wall of Protection—around their shores, which excludes us from their markets, and, so far as they are concerned, do their best to kill our trade, and this state of things does not get better. On the contrary, it constantly seems to get worse.

Now, of course, if I utter a word with reference to Free-Trade I shall be accused of being a Protectionist, of a desire to overthrow Free-Trade and of all the other crimes which an ingenious imagination can attach to a commercial heterodoxy.

But, nevertheless, I ask you to set yourselves free from all that merely vituperative doctrine, and to consider whether the true doctrine of Free-Trade carries you as far as some of these gentlemen would wish you to go.

Every true religion has its counterpart in inventions and legends and traditions, which grow upon that religion. The old Testament has its Canonical books and had also its Talmud and its Mishnah, the inventions of rabbinical commentators.

There are a Mishnah and a Talmud constantly growing up. One of the difficulties we have to contend with is the strange and unreasonable doctrine which these rabbis have imposed upon us.

If we look abroad into the world we see it. In the office which I have the honor to hold I am obliged to see a great deal of it.

We live in an age of a war of Tariffs. Every nation is trying how it can, by agreement with its neighbor, get the greatest possible Protection for its own industries, and at the same time the greatest possible access to the markets of its neighbors.

This kind of negotiation is continually going on. It has been going on for the last year and a half with great activity.

I want to point out to you that what I observe is that while A is very anxious to get a favor of B and B is anxious to get a favor of C, nobody cares two straws about getting the commercial favor of Great Britain. [Cheers.]

What is the reason for that? It is that in this great battle Great Britain has deliberately stripped herself of the armor and the weapons by which the battle has to be fought.

You cannot do business in this world of evil and suffering on those terms. If you go to market you must bring money with you. If you fight, you must fight with the weapons with which those you have to contend against are fighting.

It is not easy for you to say "I am a Quaker; I do not fight at all; I have no weapon," and to expect that people will pay the same regard to you and be as anxious to obtain your good will and to consult your interests as they will be of the people who have retained their armor and still hold their weapons. ["Hear! hear!"]

The weapon with which they all fight is admission to their own markets—that is to say, A says to B, "If you will make your duties such that I can sell in your markets I will make my duties such that you can sell in my market."

But we begin by saying we will levy no duties on anybody, and we declare that it would be contrary and disloyal to the glorious and sacred doctrine of Free-Trade to levy any duty on anybody for the sake of what we can get by it. [Cheers.]

It may be noble, but it is not business. [Loud Cheer.]

On those terms you will get nothing, and I am sorry to have to tell you that you are practically getting nothing. [Laughter.]

The opinion of this country, as stated by its authorized exponents, has been opposed to what is called a retaliatory policy. [A voice, "No, no."]

Oh, but it has. We, as the government of the country, have laid it down for ourselves as a strict rule from which there is no departure, and we are bound not to alter the traditional policy of the country unless we are convinced that a large majority of the country is with us [cheers],

because in these foreign affairs consistency of policy is beyond all things necessary. [Cheers.]

But, though this is the case, still if I may aspire to fill the office of a councillor to the public mind, I should ask you to form your own opinions without reference to traditions or denunciations, not to care two straws whether you are orthodox or not, but to form your opinions according to the dictates of common sense—I would impress upon you, that if you intend in this conflict of commercial treatise to hold your own, you must be prepared if need be to inflict upon the nations that injure you the penalty which is in your hands, that of refusing them access to your markets. [Loud and prolonged cheers, and a voice, "Common sense at last."]

There is a reproach in that interruption, but I have never said anything else—[laughter]—but there is a great difficulty.

The power we have most reason to complain of is the United States, and what we want the United States to furnish us with mostly are articles of food essential to the feeding of the people, and raw materials necessary to our manufactures, and we cannot exclude one or the other without serious injury to ourselves.

Now, I am not in the least prepared, for the sake of wounding other nations, to inflict any dangerous or serious wound upon ourselves.

We must confine ourselves, at least for the present, to those subjects on which we should not suffer very much, whether the importation continued or diminished.

But what I complain about of the rabbis of whom I have just spoken, is that they confuse this vital point. [Cheers.] They say that everything must be given to the consumer. Well, if the consumer is the man who maintains the industries of the country or is the people at large I agree with the rabbis.

You cannot raise the price of food or raw material, but there is an enormous mass of other articles of importation from other countries besides the United States which are mere matter of luxurious consumption—[Cheers]—and if it is a question of wine or silk or spirits or gloves or lace, or anything of that kind—[a voice: "Hops?" and cheers]—yes, there is a good deal to be said for hops—but in those cases I should not in the least shrink from diminishing the consumption and interfering with the comfort of the excellent people who consume these articles of luxury, for the purpose of maintaining our rights in this commercial war, and of insisting on our rights of access to the markets of our neighbors. [Cheers.]

This is a very heretodox doctrine, I know, and I should be excommunicated for maintaining it. [Laughter.]

I am not sure at all that you will escape a similar anathema, and therefore I warn you of the risks you are incurring in listening to me. [Laughter.]

But as one's whole duty is to say what he thinks to the people of this country, I am bound to say that our rabbis have carried the matter too far.

We must distinguish between consumer and consumer, and while jealously preserving the rights of a consumer who is co-extensive with a whole industry, or with the whole people of the country, we may fairly use our power over an importation which merely ministers to luxury, in order to maintain our own in this great commercial battle.—*New York World, May 21.*

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